DOCUMENT RESUME

ED 239 021 CE 035 883

TITLE	Job Creation through Economic Development: The Role of Private Industry Councils. Private Industry Council Guide Number 2.
INSTITUTION	National Alliance of Business, Inc., Washington, D.C.
PUB DATE	Jan 82
NOTE	123p.
AVAILABLE FROM	National Alliance of Business--Clearinghouse, P.O. Box 7207, Washington, DC 20044 ($5.00; 25 or more--$4.50 each).
PUB TYPE	Guides - Non-Classroom Use (055)
EDRS PRICE	MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS	Adult Education; Bibliographies; Career Education; Case Studies; *Cooperative Programs; *Coordination; Economically Disadvantaged; *Economic Development; *Employment Programs; Federal Programs; *Job Development; *Job Training; Models; Program Development; Self Evaluation (Groups); Vocational Education
IDENTIFIERS	Linkage; *Private Industry Councils

ABSTRACT

Designed specifically for private industry councils (PICs), this guide introduces the subject of economic development and job creation and highlights the impact PICs can make through carefully chosen involvement in local economic development efforts. Chapter 1 provides an introduction to economic development: What it is; how it is related to employment and training; what key elements are involved in the process. Chapter 2 develops ideas on the PIC's role in economic development. It sets forth four basic strategies for linking employment and training programs with development projects and, for each strategy, lists practical suggestions for what a PIC can do. Chapter 3 contains resource materials for use by PICs in day-to-day coordination with economic development programs. It includes an eight-step guide to linkage planning; an options chart that is a graphic summary of the ideas and strategies discussed in chapter 2; 10 case study models of successful linkage experiences; a PIC self-assessment worksheet, a tool designed to help local PICs choose between linkage options; a PIC economic development linkage worksheet; an annotated listing of sources (organizations) of technical assistance; a list of federal economic development programs; and a bibliography. (YLB)

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National
Alliance of
Business

Private Industry Council
Guide Series

Job Creation Through Economic Development: The Role of Private Industry Councils

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JOB CREATION THROUGH ECONOMIC DEVELOPMENT
THE ROLE OF PRIVATE INDUSTRY COUNCILS

National Alliance of Business
Private Industry Council Guide
Number 2

January 1982

Copies of this guide may be obtained from the National Alliance of Business Region Service Office in your area.

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PD/022/1

PD/072/1

FOREWORD

Economic development can be defined as the use of public incentives to stimulate private investment and job growth. At the same time, the creation of new private sector jobs can be seen as the country's best hope for permanently reducing unemployment and poverty. No wonder, then, that employment and training practitioners have a high stake in the success of local development projects.

Economic developers, for their part, can use a variety of manpower tools--on-the-job training subsidies, customized recruiting, targeted jobs tax credits, and in-plant upgrading and retraining programs--to aid in attracting, retaining or expanding private firms. It makes good sense, therefore, for employment and training administrators to join with the developers in a coordinated effort to revitalize the country's economically depressed areas.

Unfortunately such coordination is not widespread, impeded by differing constituencies, funding sources, timetables--even acronyms. This situation, it should be noted, is beginning to change.

Recent reforms have mandated greater private sector involvement in the nation's manpower service delivery system--including the creation of private industry councils. This has stimulated a greater awareness of the linkages between CETA and economic development, and a growing willingness to experiment in this area.

Because of their private sector makeup, local focus and flexible funding, PICs are uniquely suited to provide the bridge between traditional employment and training programs and the job-creating activities of local developers. Some PICs have already started to act.

The National Alliance of Business is strongly committed to assisting PICs in this endeavor, preparing this guidebook as a first step in this program. The guide explains the economic development process, deciphers the jargon, and identifies the important actors in the field. It offers practical suggestions and strategies for overall coordination; it provides models to follow and a list of resources for additional information.

Supplementing the guide will be a program of training and technical assistance for local PICs and other employment and training administrators.

Whatever changes are legislated in the CETA system in the coming months, they should neither diminish the need to address the problem of severe structural unemployment nor the efficacy of coordination with private job creation efforts.

Thus, we expect that the contents of this guide will remain relevant for many years to come. Over that time NAB will continue in its primary mission to encourage private businesses to provide training and jobs for economically disadvantaged youth and adults.

William H. Kolberg
President
January, 1982

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INTRODUCTION

Anyone concerned with obtaining more or better jobs for the economically disadvantaged has a stake in economic development.

Economic development can be defined as a process that stimulates increased private sector investment in order to create more jobs--or taxes, or wealth--for a specific local area. By linking their programs with local economic development efforts, employment and training agencies can insure that such new job growth will benefit their unemployed clients.

To promote this process the National Alliance of Business has prepared this guidebook. We believe that economic development should be deliberately linked to employment and training and that local private industry councils (PICs) are uniquely suited to make that link effective and to bring an employment and training perspective to economic development programs.

PICs AND ECONOMIC DEVELOPMENT

Economic development can be linked in a two-way tie with employment and training: on the one hand, development can support the PIC mission by generating new jobs that the economically disadvantaged can fill, or save jobs that might otherwise be lost. On the other hand, PICs can contribute to economic development by training local disadvantaged people in the skills needed to fill newly created jobs. A PIC's training capability can help make a particular locality more attractive to employers and then help those employers meet their manpower needs and thus help them get their new operations underway quickly and efficiently.

Some PICs have already taken advantage of this connection between manpower and development. Many others have expressed the need for some guidance — just what is economic development? Precisely how does a PIC become involved? What can a PIC do? How does it go about doing it?

PURPOSE OF THE GUIDE

This guide will help answer those questions. Its purpose is to introduce the subject to PICs and to highlight the impact they can make through carefully chosen involvement in local economic development efforts.

For some time, through the National Alliance of Business Clearinghouse, we have been showing PICs how to become involved in economic development activities. Now, we are undertaking more directly to help PICs expand their role in economic development to generate increased employment opportunities. This guide, designed specifically for PICs, is a major product of NAB's new economic development initiative.

This guide is intended to be a tool for practical use. Neither an all-inclusive report nor a compendium of existing research, it is a synthesis of materials and experiences accumulated so far. Beyond fulfilling the purpose outlined above, the guide does not attempt to cover in detail what others have already said elsewhere. Instead, several lists of resources are provided for anyone interested in delving into a particular area in greater detail. Materials we recommend as particularly helpful are cited in the text.

Two recently released documents get our highest marks: CETA and Economic Development Program Coordination: A Guide for Local Officials and Administrators, written by the National Council for Urban Economic Development (CUED) and Meshing Employment Resources with Development Needs, prepared by the National Governors' Association (NGA). Both documents are well written and speak directly to the ways that CETA has been and can be coordinated with local economic development. The CUED Guide provides an excellent overview of economic development terms, activities and key actors that PIC members and staff alike will find useful. Among the resources listed in the Appendix, we recommend you read the CUED and NGA documents first. Both serve as excellent companions to this work.

ORGANIZATION OF THE GUIDE

Chapter One provides an introduction to economic development -- what it is, who carries it out, how it is related to employment and training, and what key elements are involved in the process. This chapter is basic. It presupposes no knowledge of economic development.

Chapter Two develops ideas on the PIC's role in economic development--setting forth four basic strategies for linking employment and training programs with development projects, and for each strategy, listing many practical suggestions for "what a PIC can do." Its thrust is that PICs should not themselves try to become economic developers. This tactic can lead to duplication or competition with the work of long-established "experts." Rather, we suggest that employment and training agencies support, contribute to, and try to influence existing economic development strategies so as to create the maximum number of private sector job opportunities for their unemployed clients.

Chapter Three contains further resource materials -- including an eight-step guide to getting started, worksheets for linkage planning, ten case-study "models" of successful linkage projects, a bibliography and a list of organizations to go to for further information.

NAB's Clearinghouse has available a wide range of materials and information collected from PICs who have already begun to coordinate their activities with economic development programs. Write or call: Clearinghouse, National Alliance of Business, 1015 15th Street, N.W., Washington, D.C., 20005, 202/457-0040.

For additional help in planning or operating your own economic development linkage projects, contact NAB's Program Development Department.

CHAPTER ONE AN INTRODUCTION TO ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT CREATES JOBS

Although the term "economic development" is commonly used these days, it is not always commonly understood. Some people use it broadly to include any kind of economic growth. Others insist that "true" economic development can occur only if it is targeted on distressed neighborhoods or on creating jobs for the economically disadvantaged.

As used in this guide, economic development consists of deliberate intervention in the normal economic processes of a particular locality to stimulate economic growth by making it easier or more attractive.

As a general rule, economic growth depends on the presence of several conditions:

- Access to land and capital
- A skilled labor force
- Adequate infrastructure (e.g., roads, water and sewer, power) to support development
- Individual and organizational capacity to see the opportunity for growth, to generate a market (if it does not already exist) and satisfy demands, and to effectively plan and manage the resultant growth
- Sufficient financial incentives for growth (e.g., adequate profits).

These are the nutrients without which a locality's economy will not grow and, in fact, will decline.

Sometimes, when the necessary conditions are met, existing market forces alone are enough to stimulate and nurture local economic growth. For example, responding to perceived demand, a retail store hires extra employees so that it can stay open later in the evening. Or a company producing widgets uses its profits to start making widget accessories; or someone who likes to cook opens a cafe after seeing customers lined up outside eating places.

But what if the storeowner cannot obtain the loan he needs to hire the additional staff, or the widget manufacturer does not know how to find and train new workers to make the accessories, or the cook does not know how to start a business? Someone else needs to find or provide the necessary capital, to recruit and train new workers, to provide the necessary managerial skills to the would-be entrepreneur.

More generally, that "someone" must restore or create the conditions for growth by adding the nutrients that are missing. That kind of intervention is what we mean by "economic development."

Thus, a municipality that installs the infrastructure for a new industrial park; an agency that makes low-cost financing possible; a chamber of commerce that campaigns to attract new businesses to an area; a city council that enacts tax incentives for new or expanding industry; a manpower agency that promises to train local residents to work in a new plant or business -- all these are participants in "economic development." In any locality, economic development is the process of bringing these participants together -- organizing, planning, coordinating, doing -- to stimulate economic growth.

Public - Private Partnership

Behind this process there is often a local partnership between the private and public sectors, usually involving public incentives to encourage and direct private investment. Sometimes the partnership is deliberately organized; sometimes it consists only of the coincidental actions of groups and agencies with a common interest in a growing economy. Sometimes the process follows a comprehensive strategy; often it is simply the product of separate efforts undertaken independently.

The possible benefits of economic growth are many and varied. They include higher profits and, in some cases, greater economic influence for private investors and entrepreneurs; an improved tax base for local government; a variety of ripple benefits for the local economy, such as increased consumer demand or more business for local suppliers; and especially, additional jobs for the local work force.

Generally, a wide range of social groups have a common interest in economic growth. But everyone's interests are not always the same.

For example, a company might prefer to expand its operations without adding new jobs for local residents. The cost of tax

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incentives to attract new business may outweigh any additions to the local tax base. If a business is simply enticed to move from one locality to another, one town's economic gain may simply be another's loss.

All development is not equally beneficial to all people. And in practice the economic development process often consists of a series of compromises and trade-offs between competing ideas, interests and groups. PICs need to understand that their views of the best development goals or strategies may not always prevail.

THE DEVELOPMENT PROCESS

Having defined the concept of economic development, we now describe the general process by which it occurs. What actually happens in any one community will depend on a large number of specific - or unique - local factors, including:

- The nature and extent of the need for economic development to boost the local economy and the problems it is expected to help alleviate (e.g., the impact of a major plant closing, structural unemployment, shrinking tax base, commercial blight)
- The availability of necessary resources such as labor, capital and entrepreneurial capacity
- The forcefulness of local political, business and labor leadership
- The attitudes of each of the many private and public interests that affect and are affected by economic development, and the degree of hostility or cooperation among these interests
- The degree of local sophistication concerning the nature and methods of economic development.

In one locality, economic development may consist of isolated, ad hoc actions. In another, it may be a coordinated, well-planned, structured response by many actors working in harmony in pursuit of a commonly accepted strategy. In most communities, economic development will fall somewhere in between. Therefore, we will provide only a generic overview suggesting the possible flow of plans and activities in the economic development process. A PIC interested in playing a role in that process, must have such an overview to decide whether and where to get involved in economic development.[1]

This section divides economic development in two parts: planning and implementation. It ends with a list of economic development agencies and organizations often active on the local scene.

Planning

Like other complex endeavors, economic development begins with planning--deciding what to do and how to do it.

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[1] For a concise but detailed explanation of the economic development process, see the CUED Guide.

Agencies or organizations that take a comprehensive, systematic approach to economic development planning might do the following:

Assess current conditions

- The local economic base. What are its characteristics, strengths, and weaknesses, including economic structure and diversification, types of employers and current trends?
- The available labor force. What is its composition, how educated and skilled is it, and what is local unemployment by age, sex and race?
- Physical conditions. What are the physical conditions and capacities of the local housing stock, commercial and industrial facilities, and the infrastructure (e.g., roads, water and sewer systems)?

Identify the local economic development commununity

- What individuals, organizations and agencies are currently involved in economic development, what are they doing, what are they planning, how are they organized, who are the key decision makers, what are their resources, who among the inactive are likely to become more involved?

Analyze the causes of local conditions

- What factors (such as location, labor supply, transportation, climate, tax rates, amenities) are likely to attract new business and industry or cause existing business and industry to expand?

Assess the resources for economic development

- Local resources. What resources are available within the community, such as public and private funds for investment, land and facilities, entrepreneurial and managerial talent, labor skills, and training resources to develop new skills?
- Outside resources. What resources are available outside the community, including state and federal financial and technical assistance programs for business development, infrastructure development or training?

Set long range goals and objectives

- Set the general goals and objectives for the identified areas of social and economic need. These will be subject to revision and compromise during the process of building a consensus around them among relevant government and private interests.

It is often at this point that local elected officials become involved and the process becomes visible to the public. Political considerations can become as important as questions of growth potential and economic need.

Developing economic development strategies

Based on considerations such as political and business support, economic feasibility, local development capacity and resource availability, local areas develop strategies for pursuing the chosen goals and objectives. These strategies will grow out of the interplay of choices that must be made:

- commercial or industrial development?
- downtown or neighborhood development?
- new business and industry from outside the area, or new or expanded local ventures?
- capital - or labor - intensive ventures, light or heavy industry, large or small employers?
- unskilled jobs, jobs for which local residents can be trained, or jobs requiring workers from outside the area?

These are only a few of the choices. Not all are "either/or" decisions, and, in fact, most are questions of emphasis and balance.

At this stage, two considerations become paramount. The first is cost. What is the relative feasbility of the alternative strategies and who will bear the costs they impose? Some of the factors involved include the cost of money, labor, energy, transportation and security.

The second pervasive consideration is politics. Politics plays a major role in the process of developing economic development strategies. Strategies must be shaped so as to merit the support of key decision makers and often the general public as well.

Develop detailed plans to implement the strategies

In essence, strategies are broad outlines of major steps to achieve the chosen goals and objectives. To fill in these outlines, implementation plans must spell out the details of who does what, when, how and where. They identify, for example, all the necessary actors and precisely what it will take to get them involved; what the necessary resources are, where they will come from, how they will be obtained and precisely how they will be used.

The end product of this process should be an economic development plan. Such plans take many forms. They may be very detailed or, like the Overall Economic Development Plan required for many programs of the Economic Development Administration of the U.S. Department of Commerce, very general. In some localities there may be a single plan for an entire community. Elsewhere, each development corporation or agency may have its own plan.

But, whatever form it takes, if all goes well, development planning should lead to implementation, which is described below.

Implementation

Since economic development includes many activities likely to lead to or contribute to economic growth, the scope of implementation is wide. But whatever the content of the activities involved in the process of economic development, one action tends to stimulate another. Actually, there will be a long, sometimes complex, chain reaction in which the response to one stimulus sets off the next response.

To begin our description of this process, perhaps the best place to enter the chain is the point at which the public sector provides the incentives to stimulate economic growth in the private sector.

When properly marketed and managed, these incentives can stimulate private investment in business ventures consistent with a locality's economic development strategies.

Public Sector Tools

The potential for such incentives exists at many of the points in a local economy where the public and private sectors interact. For example:

Taxes

To attract, stimulate and encourage new or expanded economic activity, local government can negotiate a variety of tax schemes that lower the costs to developers or business owners until an enterprise is underway or firmly established. These include tax increment financing, sliding scale tax increases, taxes linked to profits rather than land value, and tax abatement for a period of years.

Land use regulation

The restrictions of zoning and building codes can be eased to encourage development generally, or in return for specific types of development.

Use and disposal of public lands

Local governments can use a variety of techniques in disposing and using publicly owned lands to make appropriate sites available to developers. Land can be made available for private development through lease or sale, at market value or at reduced costs, to encourage desired development.

Municipal services

Economic growth can be stimulated by well targeted improvements in public services, particularly when packaged together, which might include traffic control and routing, police protection, trash collection and code enforcement (e.g., to make a shopping area more attractive). Growth can also be stimulated by public infrastructure improvements, such as improving transportation facilities, building new or enlarged streets or extending water and sewer pipes to development sites.

Even without considering economic growth as a factor, governments impose taxes, and regulate municipal services. In each of the examples above, these "normal" activities of governments are carried out in such a way as to foster economic development.

Special Incentives

Other extraordinary public sector activities can be undertaken specifically for economic development:

Marketing

Some local governments conduct campaigns to attract new business or industry into their jurisdictions, either directly or by providing funds for others.

Development Financing

Direct or indirect financial incentives can be provided to encourage local development. Among the financing techniques used are direct loans, loan guarantees and industrial revenue bonds.

Technical Assistance

Local governments sometimes provide technical assistance to local businesses to help them get started, expand or stay in business.

Private Sector Response

The expectation, of course, is that taken together, such public sector incentives and assistance will stimulate the private investment of time and money that, in turn, will stimulate expansion of the local economy. Tax incentives for example, will make private investment in local businesses more attractive; the availability of land at a reduced cost may entice a developer to build an industrial park; improved traffic patterns and better police protection can encourage local merchants in a previously neglected or deteriorating area to stay and even maybe expand.

Often, the private sector response to these incentives evolves slowly. For example, when representatives of a particular locality extoll the virtues of their hometown and the tax incentives it can offer, entrepreneurs looking for a place to locate a new business may not respond immediately. Rather, if they are at all interested, they will take a number of preliminary steps.

For example, they will determine whether there is a market in that locality for their business and whether the local labor supply is adequate. They may have to take steps to qualify the new business for tax or other incentives. They will have to package their business by developing a sales plan, an operational plan and a financial plan. They will have to secure the necessary financing.

How Incentives Interact

There may be a need for further negotiation with local officials over the details of the public sector incentives. As the negotiations continue, the original incentive may attract an expression of interest coupled with a request for certain changes or additional incentives, which in turn may stimulate a counter offer from the public sector. This process may continue.

Although our description of the economic development process began with public sector incentives, they need not be the starting point. The incentives may be a response to pressure from the private sector for government officials to do something to help boost the local economy. The business community is only one source of such pressure. It could also come from a neighborhood association, a community development corporation, a labor union or an organization (such as a PIC) hoping to target economic growth to help the economically disadvantaged. Such pressure is not necessarily the first stimulus. It may come in response to a speech, a position paper or some other motivator from either the public or private sector.

Nor is it always a case of one sector responding to the stimulus of another. Economic development activities can be stimulated within sectors as well as between them. For example, the professional who helps a firm prepare an application for a loan or a government incentive may be employed by a city economic development agency or by a non-profit corporation, or may be a private entrepreneur. An organization such as a PIC may want to influence the public sector by championing the use of government incentives to generate new jobs for the unemployed. Or a PIC may choose to influence the private sector by providing tailor-made training to meet a new industry's labor needs or offering financial, managerial or marketing assistance to help a struggling small business.

Finally, economic development in a particular locality may consist of several independent cycles of stimulus and response. They may simply run parallel or they may cross or link up at different points as the process evolves.

ECONOMIC DEVELOPMENT ACTORS

Who participates in the partnership that lies behind economic development? It varies from community to community. In some places, a wide range of people, organizations and agencies work together (or in tandem) to make their local economy grow. Elsewhere, perhaps only a few are involved. Listed below are some of the possible key actors in economic development.

Financial sources

- banks and thrift institutions
- insurance companies
- private investors

The public sector

- state and local officials (governor, mayor, city or county manager)
- state and local community development departments
- state and local economic development agencies
- other local elected officials

The business community

- chambers of commerce
- merchants' associations
- specific trade and industry groups
- individual businesses, large and small
- ad hoc special interest business groups

The development community

- private developers
- economic development officials
- community development corporations
- local development corporations
- industrial development corporations
- economic development corporations
- small business investment companies
- minority enterprise small business investment companies
- industrial development financing authorities
- small business development centers (often university-based)

Media

- local newspapers
- local radio and television stations

Neighborhood groups and community-based organizations

The employment and training community

- CETA prime sponsors
- PICs
- vocational educators

SPECIAL CONSIDERATIONS FOR PICs

The employment and training community has a special interest in economic development. It hopes to create more jobs for local residents or help retain local jobs that might otherwise be lost.

The need to strengthen programs and services that offer more permanent private sector jobs for the economically disadvantaged was recognized in the 1978 CETA amendments. These include Title VII, the Private Sector Initiative Program (PSIP), which has the express purpose of strengthening the partnership between business and government in developing and managing employment and training programs.

Legislative Mandate

The 1978 legislation also amended Section 2 of the Act, the statement of purpose, by adding that "it is further the purpose of this Act to provide for the maximum feasible coordination of plans, programs, and activities under this Act with economic development, community development and related activities." CETA regulations, current and proposed, also contain significant references to economic development, including provisions for coordination with community development corporations and with the local planning and operation of community development activities.

These legislative steps to better coordinate manpower and economic development are closely related to the mandate of PSIP and the PICs:

- "to increase the involvement of the business community, including small business and minority business enterprises, in employment and training activities under this Act"
- "to increase private sector employment opportunities for unemployed or underemployed persons who are economically disadvantaged"
- "to demonstrate a variety of approaches to achieve the above objectives and augment the private sector-related activities under Title II of CETA."

The 1978 legislation specifies that up to 30 percent of the money spent under Title VII can be used not just for traditional, client-oriented employment and training activities, but "employment generating services" to help create jobs. As both an opportunity and challenge, this new flexibility released PICs from their dependence on the existing job market by giving them both the freedom and the means to move into economic development.

1980 Amendments

The most significant federal encouragement for PICs to become involved in economic development came in the 1980 CETA amendments. These include a requirement that all PICs include representatives of local economic development agencies as members, and that 10 percent of Title VII funds be used as "incentive bonuses to (reward) prime sponsors who engage in efforts to promote coordination with economic development activities..." However, recent congressional action makes it unlikely that the 10% incentive provision will be funded in fiscal year 1982.

In an era of reduced federal resources, Title VII should be seen not simply as the addition of a private sector-oriented demonstration title to the CETA program. More importantly, it can be the nucleus of an effort to redirect federally supported manpower programs toward private sector job opportunities for the economically disadvantaged. It makes the Department of Labor, the CETA delivery system, and CETA programs more responsive to the private demand for labor and the demands of the business development process, i.e., the financial, labor and other requirements for business growth and competitive success.

Coordination of the employment and training system with economic development reflects the difficulty of finding jobs for CETA clients and the need to link manpower programs with private sector job creation efforts. Such coordination is needed particularly in economically distressed communities with high unemployment and declining business involvement. They are prime targets for development efforts and they have concentrations of CETA-eligible clientele. Coordination with economic development can obtain for CETA clients some of the job opportunities resulting from state and local level public assistance to businesses.

PIC Linkages

Both because of what they are, and what they do, PICs are ideally suited to play a role in economic development. They are particularly well-positioned to play a key role in joining job creation with training as coordinated, complementary thrusts of one overall policy for achieving economic growth and ending the structural causes of economic disadvantage. This can only happen at the local level with local leadership, and that of course is precisely where the PICs are located. The opportunity for them to broker linkages and substantially assist in the development process makes them a new and potentially powerful force in local development.

To play a role in economic development, a PIC's first steps should be to identify the local development community and to assess what it is doing and what its needs are. A PIC is most likely to make its contribution in areas where this community's needs and the PIC's capabilities intersect. If the development community is well-organized and already working in concert, for example, the PIC might train workers for a new or expanding industry. But if the economic development community is not yet organized, the PIC may begin by brokering linkages and providing the leadership that will bring the key actors together. We recommend that PICs not attempt to duplicate or replace the economic development organizations in the community. Rather, the PIC should determine which aspects of the local economic development process it can effectively influence and take actions that support and enhance the community's overall economic development strategy.

The next chapter outlines some of the roles that PICs can play as part of a local employment and training-economic development partnership.

CHAPTER TWO THE PIC's ROLE IN ECONOMIC DEVELOPMENT

INTRODUCTION

This chapter discusses several possibilities and options that enable Private Industry Councils to participate in the economic development process. Central to the discussion is the premise that PICs can and should help create jobs for the structurally unemployed through active involvement in, and coordination with, local economic development activities. The challenge to PICs is to identify those points in the local development process where their intervention is most needed and appropriate. We will outline a range of options a PIC can pursue in supporting local economic development. We will explore key planning and operational issues to be considered, including some of the obstacles or pitfalls likely to be encountered as PICs begin to find their place in the local economic development arena.

An **Options Chart** in the following chapter displays the relationships between various development strategies and the PIC's potential involvement in graphic form. Chapter Three also includes case studies of actual linkage projects, an eight-step checklist for getting started and a bibliography of sources of further information and help.

Remember, the options discussed here are not exhaustive. Rather, the issues and suggestions presented here are intended to stimulate thought and discussion among PIC staff and council members by providing a base of information on which local planning and decision-making can build.

HOW INVOLVED SHOULD THE PIC BE?

The decision to participate in local economic development activities is one that every Private Industry Council must make individually. The decision should be based on a careful analysis of the development process as it operates locally, scrutiny of the overall role(s) the PIC seeks to play in the community, and assessment of its capacity to execute those roles.

Not every PIC will decide to support or participate in economic development activities. However, it is clear that if the PIC is to fulfill its mandate to expand and improve employment opportunities for residents of the community it must, at a minimum, coordinate its activities with others that share the objectives of job creation and economic improvement. The possibilities for establishing constructive, cooperative relationships between community employment and training programs and projects designed to retain, attract or expand businesses and job opportunities are limited only by the willingness and ability of local actors to work together.

A PIC can lend its support to economic development in a variety of ways. Minimum involvement would consist of actions to coordinate employment and training with development efforts and to help establish linkages to connect the two. For example, this can be accomplished through joint planning or funding of economic development-related programs. But the PIC can contribute to community economic development by going beyond coordination; it can assume an active posture by becoming a partner in and an initiator of development related activities.

Clearly, there is no single strategy or set of activities that guarantees better interaction between local development efforts and the employment and training system. There is no prescription for determing how involved in economic development an individual PIC should become. Yet, a few basic assumptions can be made about the relationship between economic development and employment and training. Key among them are the following:

The Development - Employment Relationship

- Economic development can contribute to the creation of additional job opportunities. It makes sense to coordinate development activities with employment and training programs which also seek to create new employment opportunities for economically disadvantaged residents.

- A PIC is well suited to provide leadership in joining local development and employment and training activites because it is an institution that

  - is locally based
  - is comprised of representatives from the public and private sectors
  - has available (in the form of Title VII and its role as advisor in shaping all CETA programs) potentially powerful tools to direct the local employment and training system toward creating private sector job opportunities by making that system more responsive to the business development process and business demands for quality labor.

- A PIC can provide that leadership, but to do so it must fully understand the goals and objectives of the economic development process as it operates in the community and it must identify the key actors in that process.

- PICs can support and enhance the job creating effects of economic development, but should not attempt to compete with or become substitutes for local development institutions.

With these planning principles in mind, a PIC will want to explore the ways in which it can contribute to the creation of jobs through the economic development process. But while general planning principles can be helpful in these efforts, the nature and scope of activities a PIC decides to pursue to support the economic development process will be determined, in part, by the answers to the following specific questions:

- What is the economic development process in the community and how can it contribute to creating new job opportunities?

- What resources can the PIC and local employment and training programs provide to support and enhance job creation through economic development?

- By what tactics or methods can those resources be directed to achieve the greatest benefit?

COORDINATION WITH LOCAL ECONOMIC DEVELOPMENT

The following sections examine some of the potential roles and activities PICs can consider to coordinate with, contribute resources to the support of, or actively participate in local economic development. The discussion is organized around some of the most common strategies for coordinating economic development and manpower programs. The issues for PICs is how manpower programs, which focus heavily on the economically disadvantaged, can be directed as a business incentive tool or be used to capture the jobs created through development for the structurally unemployed.

General Considerations

Coordination can bring several benefits to both economic developers and the managers of employment and training programs. For those responsible for economic development, the employment and training system can provide a trained labor force, reduction in the costs of training and employing workers, and assistance in planning and implementing economic development programs. For the employment and training system, the economic development process represents a source of private sector jobs, better contacts with and acceptance by the business community, and influence in the direction and design of economic development programs.

Private Sector Focus For Manpower Programs

It makes good business sense to coordinate employment and training programs with economic development. Providing adequate incentives to businesses to employ CETA-eligible residents does more than simply fulfill a social responsibility. Economic development-oriented employment and training strategies involve crafting programs that are responsive to business investment needs. Labor must be regarded as a business investment incentive in the same way that land, capital and infrastructure development have been traditionally used by economic development programs. Any successful attempt to merge or coordinate local development and manpower objectives will require better planning to make available to business a well-trained, more employable work force, and institutional coordination and packaging of economic development incentives with employment and training services.

The extent to which economic development and employment and training activities are mutually supportive will depend heavily on the degree to which local manpower programs (1) emphasize permanent private sector employment as a major objective, (2) respond to the business development process and (3) provide incentives to local business investment and employment.

This redirection or restructuring of local employment and training operations - wholly consistent with the thrust of the 1978 CETA amendments - is perhaps the most important single action that a PIC administrator can take to encourage linkages with local economic development programs. Traditional CETA programs are perceived -perhaps wrongly - as having a public sector, anti-business bias, and this perception must be overcome before any meaningful cooperation can take place.

FOUR LINKAGE STRATEGIES

Several suggestions for better coordinating economic development and manpower programs have emerged from policy analysts and practitioners within both the development and manpower communities. Generally, the suggested methods for coordination are consistent with one or more of the following basic strategies:

- Coordinating planning and operation of manpower and economic development programs
- Using job training as an economic development incentive
- Using employment and training funds to help finance private sector job creation
- Directing employment and training resources to perform key functions within the economic development process.

Strategy A: Coordinating Planning and Operation of Manpower and Economic Development Programs

This strategy emphasizes the institutional coordination of manpower and economic development programs through such measures as joint or coordinated planning, administration, implementation or funding. It recognizes the importance of creating operational linkages between programs with differing functions if meaningful coordination is to be achieved. Among the various linkage approaches pursued within this strategy are:

- Building and strengthening linkages among local development and manpower institutions
    - -- overlapping boards of directors; for example, inclusion of economic development representatives on the PIC or integration of manpower and development functions in a single local agency
    - -- jointly staffed projects designed both to expand the business sector and to create employment opportunities for CETA-eligible residents
    - -- coordination of state and local economic development plans with manpower plans

- Developing public policies and practices that are supportive of coordinated manpower and economic development programs
    - -- encouraging local elected officials to develop administrative mechanisms to coordinate planning and operation of manpower and development programs
    - -- advocating creation of development agencies or institutions where none exist
    - -- helping shape local decision-making that combines available financial resources to make local business development strategies more responsive to the job needs of poor and unemployed residents.

What PICs Can Do

1. Building Institutional Linkages

Coordination and cooperation among the various local institutions capable of managing, directing or participating in the economic development process is necessary if shared goals are to be achieved efficiently, utilizing scarce resources. As pointed out in Chapter One, successful economic development involves the blending and coordination of private investment and profit motives with public interests. To strike a balance between these public and private interests, economic development must be planned and executed within the framework of partnerships between public organizations and the private sector.

Private Industry Councils are particularly well positioned to help establish and strengthen coordination, cooperation and communication among employment and training and local development organizations and between these groups and the business community. As a lead advocate for and provider of services to stimulate job creation for the structurally unemployed, the Private Industry Council can foster partnerships for economic development in a variety of ways, including activities that involve:

- Joint planning and goal setting among economic development organizations and employment and training providers by

  - -- including employment and training objectives in individual development projects (ventures) and community wide economic development plans
  - -- including economic development objectives in the CETA annual plans
  - -- negotiating "first source" referral and hiring agreements between the CETA sponsor or PIC and businesses that receive public development assistance
  - -- providing and sharing improved labor market data to developers, businesses and employment and training organizations
  - -- overlapping membership on development planning bodies and the PIC
  - -- jointly financing or staffing development and employment or training projects

- Coordinating information sharing among businesses, economic development and employment and training practitioners on such issues as

  - -- relevant legislation and public policies pertaining to economic development and employment and training linkages
  - -- research and model programs or approaches for joining economic development and employment and training
  - -- technical or financial assistance resources
  - -- early notification of procurement contracts or planned business expansion

- Encouraging private sector involvement in the design and use of employment and training and other development resources including

- informing businesses of the availability of various programs or incentives for business expansion and employment of the disadvantaged
- influencing private financial institutions to invest in projects that will create jobs for the structurally unemployed by
  - notifying lending instituions of investment opportunities in areas of major unemployment
  - sponsoring loans for low income entrepreneurs, including those trained by CETA
- developing programs to attract new business to the area and to expand existing ones through joint financial incentive packages in which the CETA system can offer
  - OJT subsidies
  - customized skill training
  - upgrading or retraining of current employees
  - recruitment and referral services
  - employment tax credits (TJTC)

  and in which economic development line agencies provide

  - interest subsidies, equity financing and alternative financing schemes
  - infrastructure improvement
  - management assistance and business packaging

Help that fosters and strengthens cooperation among various organizations is perhaps the most important contribution the PIC can make to the economic development process in its community. Certainly cooperation among key actors in the development process is central to the success of any local development strategy. In many communities, the PIC may be the catalyst and negotiator of new working relationships that permanently change the capacity of that community to attract investment and expand job opportunities for its residents. Project Models 1, 3, 4, 5, 6, 7, 8 and 9, all include the strengthening of institutional linkages among their goals.

2. Policy Development

Economic development and job creation occur best in an environment that is politically supportive of the development process. Cities, counties, and states that have adopted policies and practices that encourage and support economic development are more likely to succeed in attracting investment and generating jobs than those that have not. Among the ways that state and local government can encourage economic development is the promulgation of programs and policies that:

- target financial assistance to areas that are economically distressed to create jobs, improve the business climate or encourage business development
- create or provide financial support for development institutions and business assistance programs
- provide development financing to businesses and development organizations (revolving loan funds, loan guarantees, tax credits, land write downs)
- facilitate joint planning and program operation among local development organizations, employment and training providers, and the business community.

The PIC can help to influence the establishment of policies and practices such as these in a variety of ways, including providing the business perspective in the creation of public development-oriented policies and by supporting staff functions in development or government organizations that address the employment and economic development needs of the community. For example, Title VII funds can be used to:

- design, for endorsement by local government, an area-specific economic development plan that addresses problems of the economically disadvantaged and focuses on job creation
- design, organize and staff economic development organizations or business development programs (development financing programs, small business assistance programs, etc.)
- develop requirements and procedures for government-imposed restrictions on business development, such as city regulations that require all companies receiving public development monies to sign an agreement that gives priority to CETA-eligible job aplicants

- staff an advocacy service or assistance center that helps businesses in their dealings with the local government agencies and departments.

The PIC can begin to influence local development policies through representatives on the boards of economic development organizations and by offering suggestions — perhaps through a subcommittee of the PIC created to focus on development issues -- for the formulation of economic development oriented policies to these organizations and local officials.

With the business community behind it, the PIC is likely to be heard. It can play an important part in shaping a political atmosphere that encourages productive connections between economic development and the creation of jobs for the structurally unemployed.

Strategy B: Using Job Training as an Economic Development Incentive

This strategy uses traditional training and placement assistance as an incentive for business development, either independently or promoted as part of an economic development business incentive package. It focuses on improving the responsiveness of manpower programs to business needs and delivering more or better service to the business community.

Comprehensive economic development recognizes the value in providing incentives for all the major factors of production, i.e., land, labor and capital, in order to encourage targeted business investment. Skilled labor is a "business development resource," and making it more readily available and reducing its costs is one way of reducing the costs of doing business in development areas. The emphasis of this strategy is on the benefits to be derived by businesses from the provision of an employable and skilled labor force and public subsidization of training and employing workers.

A business that is relocating might well be persuaded by help from CETA to recruit and train a ready work force, and existing businesses might be willing to expand if they can be assured that local residents are skilled and trained to assume the jobs created through expansion. Training thus becomes an instrument of the community's economic development strategy, focused on priority objectives such as business retention and expansion, small business assistance and start-up, and aid to growth industries.

What PICs Can Do

Among the roles that the PIC may choose to play in this process of using "human capital" as an economic development incentive are the following:

1. Analysis of Local Labor Market Conditions

The PIC can help to provide reliable analyses of local labor market conditions where existing information has been found inadequate. Both economic developers and the business community need information regarding the skill level and mix of the local labor force. The employment and training system (CETA, vocational education institutions etc.) needs to know the employers' skill needs and hiring projections so that structurally unemployed residents can be trained to qualify for the jobs being created. Specific activities might include:

- identification of growing or emerging occupations and the skill needs of employers

- analysis of current skill levels among residents of low-income neighborhoods in which development organizations are creating business ventures

- provision of skill demand (employer needs) and supply (workforce) needs to the CETA and vocational training system for use in designing employer-oriented skill development programs.

2. Provision of Trained Workers

The PIC can directly operate customized skill training programs to meet the demands of specific employers and it can enhance the appropriateness of skill training by working with other training providers to develop programs around employer-defined curricula and competency based performance measures. Another way that PICs can help CETA clients obtain jobs newly created through economic development efforts is to develop training programs provided directly by the business community, using employers' instructors and equipment.

3. Provision of Upgrading Training

Sometimes, local economic development projects are aimed at helping growing or distressed companies to modernize and increase production, thereby enhancing their abilities to expand. The PIC can assist in these efforts by upgrading and retraining existing employees to fulfill new skill requirements while simultaneously increasing new entry-level opportunities for CETA clients who can fill the vacancies created by the existing upgraded or retrained workers. In this way, the PIC can directly contribute to these economic development goals: increasing the ability of businesses to compete and grow; enhancing the quality of existing manpower; and creating additional jobs for unemployed residents.

4. Development of Business Operators and Managers

Business development cannot occur without talented individuals skilled in the creation and management of enterprises. Another way in which the PIC can help to develop the human capital side of the economic development equation is to provide assistance to entrepreneurs and business operators. Title VII funds can be used to train CETA eligible individuals to start their own businesses, and to provide business management skills to the owners and managers of existing small businesses.

Development of "human capital" is the job the employment and training system is designed to do best. To find the ways that it can constructively direct the employment and training system's resources to foster local economic development and business growth, the PIC should look first to the human capital needs inherent in the local development process.

Depending on the overall economic development strategy of the community, the greatest need for PIC involvement may be in recruiting and referring CETA-eligible applicants to newly created jobs, training them for those jobs, or actually helping business operators to start and run new businesses. For examples of specific human capital-oriented projects a PIC might undertake, see Project Models 1, 2, 3, 4 and 5.

Strategy C: Helping to Finance Business Development

This strategy proposes using employment and training programs to finance private sector business development or not-for-profit, self-sustaining enterprises in order to generate private sector jobs for structurally unemployed residents. Proponents of this strategy view CETA and other manpower resources as tools to provide direct financial assistance to businesses in order to create jobs for CETA clients. Several versions of this strategy have been suggested, including:

- Financial subsidies to businesses in the form of training programs or tax credits like the Targeted Jobs Tax Credit (TJTC)
- Creation of new enterprises, aiding small business and assisting high technology and other growth industries
    - staffing (and thereby subsidizing) public and private enterprises engaged in meeting unmet community needs for goods and services
    - training unemployed residents to create their own businesses
    - training new entrepreneurs
    - providing management assistance to new businesses
- Assisting businesses in neighborhoods where economically disadvantaged individuals reside; i.e., community economic development

This strategy is consistent with a community commitment to target development and job creation activities to distressed neighborhoods and to help generate locally controlled enterprises. It involves assessing the financial value to business of various employment and training assistance and attempting to use that assistance as an incentive to lever business expansion and job creation.

What PICs Can Do

1. Financial Incentives to Business

As noted earlier, most economic development strategies include the provision and promotion of some type of financial inducement to businesses as an incentive to stay or locate in the area. CETA can be used to finance those incentives and to inform the private sector of their availability. The PIC can use the highly flexible Title VII resources to:

- Provide subsidies to business in the form of training.

  An on-the-job training (OJT) program, for example, can be a direct boost to the cash flow of a small company. One PIC arranged for businesses financed by local development organizations to receive a credit against their loan for participating in CETA run OJT programs (see Project 3).

- Create new enterprises.

  Employment Generating Services (EGS) funds can be used by development organizations to plan and implement new business ventures or "deals" and income-generating projects, such as the creation of a Title VII funded child care center. Or, a cooperative business of some sort can be subsidized (see Project Model 9). Entrepreneurs planning to start their own businesses can receive start-up support through a Title VII funded management and business skills training program (see Project Model 5).

- Expand existing businesses.

  Title VII can provide technical or professional assistance or staff to businesses to assist them to expand. For example, EGS monies can provide staff for a marketing study for a local business, a site location feasibility study, or the preparation of a loan application for expansion funds.

While this approach to supporting the economic development process is a valid and acceptable option, the PIC that decides to adopt the "incentives to business" approach should be aware of its restrictions as well. CETA funded financial incentives can not be in the form of cash needed for large scale business development. CETA cannot be used to provide capital for investment or operating purposes. Usually, the CETA contributions--in the form of training, work experience allowances, or subsidized professional and technical expertise--will have to be combined with other financial subsidies to business development provided by lending institutions, government or private development organizations.

2. Enterprise Development/Brokering

As noted earlier in our discussion of strategies for directing the employment and training system to support economic development, one major approach calls for using employment and training funds to help finance business creation in order to provide jobs for the structurally unemployed. This "enterprise development" approach recognizes that a healthy business environment is one in which local enterprises have the technical and managerial expertise to develop and expand.

While recent studies show that the vast majority of new jobs are created by small firms (employing fewer than 50 people), it is also true that the failure rate of small firms is extremely high. A frequent cause of small business failure is inadequate managerial expertise of the owner or operater. Because it is important that business develop and grow--particularly in areas where significant numbers of unemployed people reside--many economic development strategies include projects aimed at encouraging enterprise expansion by providing managerial assistance directly to business owners and operators.

These programs are often targeted to small or minority-owned businesses located in economically distressed neighborhoods. Perhaps the most widely known of these programs are funded by the Small Business Administration, yet a variety of locally initiated enterprise assistance programs also exist.

Pursuing its interest in local efforts to stimulate economic growth, a Private Industry Council can provide valuable assistance to development organizations already involved in helping small and new businesses to operate by providing help with plant site selection, finance and management, marketing or sales.

The PIC can assist local development organizations to deliver these services by funding the organizations directly. Or in some cases, the PIC itself can develop the capacity to provide business assistance where no other organization exists. Some PICs have established "one stop" business centers that provide a variety of development related services and information to local or relocating firms (see Project Model 6). Other PICs have attempted to meet business needs through direct grants (to hire technical or managerial assistance) to the business themselves.

Other ways that the PIC can assist in the development of enterprises include:

- encouraging private investment in projects and business ventures that will create jobs for the structurally unemployed

- training entrepreneurs and business managers

- helping to start business cooperatives or other self-sustaining enterprises employing CETA eligible residents of the community.

A few words of caution to PICs that adopt an enterprise development approach: an approach which emphasizes job creation through small business development involves a number of problems including the risks of high failure rate among new business; a tendancy toward unstable, low-paying jobs; complex entrepreneurial needs for financial, marketing and management assistance, and the need for intermediaries to work with these businesses. All these problems are inherent in the economic development process as it applies to enterprise development and the PIC that chooses to support such an approach, needs to be aware of the potential pitfalls, as well as the opportunities for job creation. Project Models 9 and 5 provide examples of the types of specific activities PICs can undertake to foster enterprise development.

Strategy D: Performing Key Functions Within the Economic Development Process

In addition to their use as business development incentives or as direct financing tools, employment and training resources can help to support or even perform key functions within the local economic development process. Among the development functions that can be performed using this strategy are:

- Institutional Capacity Building: providing staff, training, administrative funds or technical assistance to create or strengthen development institutions
- Improving the Local Business Environment: supporting the development process by improving the local physical and social settings and by helping to attract businesses to the community
  - provision of workers, equipment and materials for the construction of physical infrastructure, production facilities and site development in support of business location
  - support of public service activities that enhance the quality of community life (e.g., child care facilities, safety and health services)
- Marketing and Promoting: staff, training, technical assistance or funds for promoting economic development incentives to businesses
  - advertising and media campaigns to attract out-of-town or foreign businesses to the community
  - packaging and "selling" employment and training and other development incentives to local businesses

What PICs Can Do

1. Building Institutional Capacity

Many experts believe that the scarcity of institutional capacity, not capital, is the most significant barrier to successful economic development. Chapter One discusses the type of local organizations that are typically involved in the management of economic development. Community Development Corporations (CDCs), Local Development Companies (LDCs), Small Business Investment Corporations (SBICs), and various commissions or departments created by local government are among the institutions that exist. Yet, most do not enjoy a systematic and reliable funding base. Often they are unable to expand or even maintain the level of technical and managerial expertise needed to effectively mobilize and direct economic development activities.

Ensured survival and maintenance of the institutional capacity to manage and direct the economic development process is a critical element in any community's development scheme. The Private Industry Council can play an important part in assisting local development institutions to improve their capacity to help form and expand businesses by providing financial or technical assistance to existing institutions and by helping to create new institutions where none exist. The PIC can help to finance or directly provide:

- Training for professional staff of organizations involved in

  - providing venture capital
  - offering entrepreneurship training
  - giving managerial assistance to small businesses
  - developing community infrastructure
  - organizing enterprises to provide community services
  - organizing cooperatives
  - providing technical assistance to other community development organizations

- Staff positions in development organizations that can foster and support small business and other economic development activities. Types of positions can include:

  - housing and real estate development specialists
  - business analysts/business packagers
  - loan packagers
  - economic planners
  - organizational development/management specialists
  - researchers/writers/marketing specialists

- Help in creating new development organizations or authorities where the capacity does not exist to provide development assistance in the form of:

  - venture capital
  - equity investment
  - loan subsidies
  - business packaging/loan packaging
  - feasibility studies and market analysis
  - entrepreneurial training
  - management assistance to small business.

For examples of capacity-building projects PICs can implement, refer to Project Models 1 and 2.

2. Improving Local Business Environment

Chapter One points out the importance of a favorable business climate in attracting and stimulating business growth. Investors and businesses are very much concerned with the quality and availability of public services (education, recreation, health and safety) and physical facilities (transportation, land, buildings, utilities) in the community in which they choose to locate. Local economic development strategies often involve efforts to improve the business environment and to promote those qualities to investors and business operators in an attempt to convince them to locate in the community or, if they are already located there, to stay and expand.

Because the social and physical infrastructure is a key element of a community's business environment, local economic development efforts often focus on improving them as incentives to business investment.

While CETA has been used in a variety of ways to support these efforts, the primary source of CETA support for physical infrastructure development has been Public Service Employment (PSE). For example, PSE workers in many communities renovated and weatherized public buildings (some of which were later leased or sold to job creating businesses), and helped to build or improve roads, sewers, and sidewalks. Parks and recreational facilities have been built by PSE crews in several areas and some communities have used PSE workers to provide maintenance and security for industrial parks and shopping or business centers.

There is no doubt that the curtailment of PSE will restrict the ways in which CETA funds can be directed to support infrastructure development. However, the absence of a PSE program does not mean that CETA cannot continue to contribute to such efforts. PICs can help to establish training programs within the CETA and vocational education system that will produce workers skilled in performing the type of work described above.

For example, CETA trainees (through public or private OJT) can, as a part of their learning experience, assist in grading roads or building drainage and sewer systems for a new industrial park, or help to design and build community recreational facilities. EGS monies can be used to provide technical and professional assistance to design a new transportation system that will take residents from areas of high unemployment to areas of high demand (see Project Model 10) Work experience clients assigned to organizations responsible for such functions as zoning, recycling, or commercial revitalization, can provide support for these activities while learning to function well in a work environment.

CETA can also be used to support community level projects to provide social services or amenities that enhance the business climate. For example, a child care facility can be started with CETA funds and developed into a self-supporting business. CETA funds can also be used to operate ombudsman programs that "run interference" with local bureaucracies. These centers provide businesspeople with help in securing licenses and permits, and in cutting through municipal "red tape" (see Project Model 6).

3. Marketing and Promoting

To reap the benefits of development projects aimed at improving the local business environment, a community needs to let businesses know about these improvements and the incentives to locate or expand in that particular area. Nearly all economic development strategies, however modest in scope, include some plans to attract investment to the community, or encourage existing businesses to stay and expand. A PIC can play an important role in projects designed to:

- inform businesses of available incentives or assistance programs such as tax credits and tax reductions for new or expanding industry, and programs that assist businesses with site location, loan packaging, or recruitment and training of employees

- market and increase utilization of specific local incentive programs, such as those described above

- promote the social and physical characteristics of the community; e.g., transportation, available land and industrial sites, education systems, and cultural attractions, among others

By joining forces with local development organizations or business groups like the Chamber of Commerce, the PIC can fund or actually operate such marketing and promotional activities (see Project Model 6). Among the projects some PICs have sponsored or participated in are

- direct mail campaigns to encourage local businesses to hire CETA-eligible individuals or to utilize the CETA system to train a new workforce

- advertising campaigns to convince foreign companies to locate in the PIC's community

- promotion through the media of the community as a place to do business; e.g., ads in business journals, newspapers, radio

- business contact programs designed to inform companies with high growth potential of the variety of public incentives (subsidies, tax credits, and services) available to assist in expansion efforts

- business/industrial development conferences to promote the community as a business location.

PIC involvement in these efforts range from provision of financial support (usually EGS monies) to development and direct marketing of materials. The central reason for PICs to support promotional and marketing efforts of this sort is that such efforts can lead directly to the creation of additional jobs.

CHAPTER THREE RESOURCE MATERIALS

This chapter provides practical "working papers" for use by PICs as they become involved in day-to-day coordination with economic development programs. It includes the following:

- "Getting Started": an eight-step guide to linkage planning
- Options Chart: a graphic summary of the ideas and strategies discussed in Chapter Two
- Case study models of successful linkage experiences
- PIC self-assessment worksheet: a tool designed to help local PICs choose between linkage options
- PIC-economic development linkage worksheet
- Sources of technical assistance
- Federal economic development programs
- Bibliography

GETTING STARTED: EIGHT STEPS

Before starting to plan its economic development linkage, a PIC should define the basic planning assumptions or principles upon which its programs will be based. Chapter Two suggests four planning principles that PICs may want to discuss before embarking on a specific plan. The four planning assumptions identified in Chapter Two are:

- Economic development can contribute to the creation of additional job opportunities. Therefore, it makes sense to coordinate development activities with those employment and training programs which seek to create new employment opportunities and to secure them for economically disadvantaged residents.
- The PIC is well suited to provide leadership in joining local development and employment and training activities.
- To provide that leadership, the PIC must fully understand the goals and objectives of the economic development process as it operates in the community, and it must identify the key actors in that process.
- PICs can support and enhance the job creating effects of economic development, but should not attempt to compete with, or become a substitute for, already existing development institutions.

To plan its involvement in economic development, a PIC should follow the same systematic approach it would use to plan its other programs. NAB has suggested a logical, structured method for planning, managing and evaluating PIC programs and activities that can be specifically applied to economic development.[1] The key steps involved in planning the PIC's economic development-related programs are:

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[1] For a general description of the PIC Planning, Management and Evaluation (PME) Process, see NAB's publication, Options on Roles, Organizations and Programs of the Private Industry Council. Detailed information on the PME Process is contained in the NAB Guide, Planning, Management and Evaluation: Realizing PIC Potential.

Step 1. Make coordination with economic development and private sector jobs for the community's economically disadvantaged residents a priority for the PIC.

- Amend the PIC's mission and function statements, charter or bylaws to reflect an organizational commitment to establishing economic development linkages.
- Devote adequate staff and Council member resources to planning and implementing economic development-related programs.
- Publicize the PIC's intentions throughout the community; alert other actors in economic development that the PIC wants to become involved.

Step 2. Analyze the local economic development process and find out who is already involved.

- Find out what, if any, local development strategies have been developed for the community, get copies of development plans and analyze them.
- Identify the key individuals and organizations involved in local economic development; share plans with them, schedule meetings to exchange ideas, and consider cross-representation on boards of directors.
- Become familiar with the public (local, state and federal) resources that are available to encourage business development and investment in your community.

Step 3. Gauge the local political commitment to economic development. Clearly, the role that the PIC charts for itself in the local development process will be influenced heavily by the political environment. A strong political commitment greatly increases the community's ability to deal effectively with the business sector and enhances the possibilities for coordinated program planning and implementation. If not already known, find out what is the local political commitment to economic development.

Step 4. Assess local needs.

- Determine the employment needs of CETA-eligible people; assess whether they can benefit from the local development programs that are underway and what new activities may be appropriate.

- Determine how the local business community and development organizations view employment and training programs. Are they viewed as useful resources? Does the PIC need to do some marketing to improve the reputation of CETA and to inform employers of the resources available through the local employment and training system?

Step 5. Explore alternative activities and approaches to link the PIC with economic development.

- Find out what other communities have done to better coordinate economic development and manpower programs. Refer to the attached case studies and other materials that describe local approaches to linking CETA and economic development.

- Talk with local development organizations, businesses, financial institutions and employment and training organizations to get their suggestions.

Step 6. Select linkage strategies that make sense for the PIC and for the community.

- Assess the PIC's capability to implement alternative linkage strategies and roles; does it have the necessary capability and resources to carry out a specific approach?

- Determine the appropriateness of the strategies for meeting the employment needs of CETA-eligible residents. Will they benefit from the strategy and activities being considered?

Step 7. Analyze the resources needed to implement alternative strategies.

- Determine the financial, political, and human resources needed.

- Determine the kind of support that is needed from other public and private organizations.
- Determine the kind of linkages the PIC needs to make with other organizations to implement the strategies.

Step 8. Design programs and activities.

- Make them consistent with the overall goals and mission of the PIC.
- See that they are compatible with ongoing economic development programs and strategies.
- Make them flexible enough to adjust to local private sector needs.
- Minimize the burdensome features of private sector involvement.
- Bridge the gulf that sometimes exists between delivery systems for economic development and employment and training programs.
- Maximize use of available resources.

It may be useful for PICs to create a special subcommittee to work with the staff to explore economic development-related issues before bringing them to the attention of the full PIC. It is important to keep in mind that the members of the PIC — particularly those representing business and economic development organizations — are valuable resources and should be closely involved with staff as the PIC shapes its role in the local development process. Two planning tools are presented at the end of this chapter to assist PIC staff in this task.

This can not be accomplished overnight. Effective planning will take time, particularly for PICs that have not formally explored their potential role in economic development. The key is for the PICs to recognize their potentially influential role in bridging the gap between local development activities and efforts to increase private sector employment for the economically disadvantaged. The National Alliance of Business is committed to help PICs meet this challenge.

ECONOMIC DEVELOPMENT-RELATED STRATEGIES FOR PICS: APPROACHES, ROLES AND ACTIVITIES

LINKAGE STRATEGIES AND APPROACHES	PIC ROLE OPTIONS	ACTIVITY OPTIONS	MODEL NO.
STRATEGY A: COORDINATING PLANNING AND OPERATION OF ECONOMIC DEVELOPMENT AND MANPOWER PROGRAMS Approach: Building Institutional Linkages To establish and strengthen coordination, cooperation, and communication among local institutions involved in economic development and employment and training activities.	Public/Private Partnership Builder	• Link activities with economic development commissions, community development corporations and other key economic development actors --exchange personnel at the advisory/governing board level --exchange personnel in existing organizations through staff training/internship programs	1,2
		--jointly staff new projects and organizations designed to be of support to local development efforts	6
		• Develop programs to attract new business to the area and encourage expansion of existing businesses --devise joint financial incentive packages in which the CETA system can offer: - OJT wage subsidies - customized skill training - recruitment and referral services - TJTC --and in which economic development line agencies can provide - interest subsidies (and alternative subsidized financing schemes) - infrastructure improvements	8,3,4
		• Encourage private investment (lending institutions, developers) in new, small enterprises in target areas --educate and inform lending institutions of investment opportunities --sponsor low-income entrepreneurs, trained by CETA	5
	Planner	• PICs can link up in the planning and goal-setting process with other groups involved in the economic development community	2

LINKAGE STRATEGIES AND APPROACHES	PIC ROLE OPTIONS	ACTIVITY OPTIONS	MODEL NO.
		--create an economic development section in annual CETA plan/PIC plan --build manpower and employment goals into Overall Economic Development Plans and Community Economic Development Strategies --develop jointly with other economic development groups a statement of goals and objectives for elected officials --provide improved labor market data to prime sponsor and local development agencies and businesses --provide business and industry needs assessment data to the prime sponsor --provide available skills data to business	1
	Coordinator of Programs/Systems Development	• Coordinate employment and training system activities with economic development to capture new jobs for CETA population --develop model hiring clauses for economic development bodies to use as precondition for the provision of financial and other assistance --develop model first source agreements for use with new firms entering area • Coordinate spin-off business generated by economic development projects with the local small business community for maximum retention of the multiplied development dollar --provide an industry service program which tests, recruits, trains, and refers CETA people to fill local business labor needs gathered from an outreach program or through contacts in the economic development community --broker customized training programs and OJT programs to meet the skill needs of local business gathered from an outreach program or through contacts in the economic development community	2,3,4,6

LINKAGE STRATEGIES AND APPROACHES	PIC ROLE OPTIONS	ACTIVITY OPTIONS	MODEL NO.
	Broker of Information	• Support staff positions for (or operate within the PIC) a clearinghouse which brokers information to: --local business --local government --economic development practitioners --employment and training community on such areas as: --relevant legislation (local, state, national) pertaining to linkage issues and options for economic development and manpower training --available local and federal resources, technical assistance revenue sources, institutional sources --general economic development/manpower training research • Coordinate the targeting of municipal purchases and contracts to local firms and include CETA referral hiring requirement • Train/inform economic development practitioners on the resources available through the employment and training system • Sponsor joint seminars/discussions with economic development agencies and CETA prime sponsor	6,7
Approach: Develop Public Policies that Support Economic Development	Supporter of Business to Influence Legislative, Regulatory and Administrative Action	• Provide the business perspective on the development of state and local programs and policies that: --target financial assistance to economically distressed areas --enhance local business climate and infrastructure --coordinate job creation through economic development with job creation for structurally unemployed --support or create local job creating or financial institutions (CDCs, LDCs, finance corporations,	

LINKAGE STRATEGIES AND APPROACHES	PIC ROLE OPTIONS	ACTIVITY OPTIONS	MODEL NO.
		revolving business loan funds, small business assistance programs) etc. --adequate infrastructure development to support economic growth and job-generating ventures	
	Advocate	• Support staff positions of advocacy programs in city government for: --business community --local development corporations (LDCs) and community development corporations (CDCs)	
STRATEGY B: TRAINING AS AN ECONOMIC DEVELOPMENT INCENTIVE Approach: Develop Human Capital To improve the availability of skilled, trained workers to match the needs of local employers.	Analyst of Local Labor Market Conditions (Training demands and needs)	• Conduct, finance labor market analyses to determine: --skill mix and level of residents in low-income areas --employer skill needs and hiring projections This information can be useful to both the economic developers in planning business ventures that will create jobs for local residents and to the prime sponsor in planning its training programs.	1
	Provider of Trained Workers for Local Businesses	• Recruit workers for specific employers • Develop customized training programs that train the unemployed to meet the specific needs of individual employers	2
		• Develop employer-designed curricula and performance standards for training programs --work with vocational educational schools --work with prime sponsor	3
	Developer of Employer-Operated Training Programs	• Develop training programs provided onsite by individual employers or through use of employer's instructors or equipment	4

LINKAGE STRATEGIES AND APPROACHES	PIC ROLE OPTIONS	ACTIVITY OPTIONS	MODEL NO.
	Provider of Training and Development Assistance to Growing Companies	• Conduct upgrading or retraining programs to (1) assist businesses to modernize and increase ability to compete and (2) to create entry-level vacancies for CETA clients	4
	Developer of Business Operators and Managers	• Train new entrepreneurs to help them start their businesses	5
STRATEGY C: FINANCE BUSINESS DEVELOPMENT TO CREATE JOBS Approach: Enterprise Development To create or retain jobs by increasing the opportunities for business expansion and new enterprise development.	Provider of Management/Technical Assistance to Employers	• Special programs for new businesses, small businesses. LDC and CDC ventures developed by economic development agencies which provide assistance in site selection, venture financing, and personnel management	6
		• Become lead advocate at local and state level for the creation of state and local agencies that provide project-specific technical assistance to CDCs, LDCs, and small businesses Technical assistance could include: --staff training seminars --vocational training programs --business packaging --loan packaging --business management --personnel management --feasibility studies/market analyses --minority entrepreneurship training --marketing --how to bid on municipal purchases and contracts	7
		• Develop capabilities to provide technical assistance through the PIC	4
		• Employee improvement programs for existing work force	
		• Create new job opportunities through upgrading or retraining programs	

LINKAGE STRATEGIES AND APPROACHES	PIC ROLE OPTIONS	ACTIVITY OPTIONS	MODEL NO.
		• Conduct/finance business marketing or feasibility studies to determine new business opportunities in the community	
	Broker for Private Investment (lending institutions, developers) in Projects that will Create Jobs for the Structurally Unemployed	• Conduct discussions with banks regarding their community investment policies and obligations (under the Community Reinvestment Act) to invest in community business projects • Sponsor individual business ventures (including those involving the self-employment of CETA-trained individuals)	
	Trainer of New Entrepreneurs/Business Managers	• Train CETA eligibles as business operators/entrepreneurs • Develop a small business intern program to provide a practical training enabling youth and other individuals to work in small business firms to acquire first-hand knowledge and management experience about small business	5
	Developer of New Businesses	• Support business "incubator" programs in conjunction with UDAG or other economic development sources • Support the start-up of business cooperatives, employing CETA eligibles	2
Approach: Providing Financial Incentives to Businesses To provide financial subsidies to businesses to expand, stay in the community, relocate there.	Provider of Information on Tax Credits and Other Financial Incentives	• Inform businesses of available public incentives, e.g., tax credits, for hiring CETA eligibles	6
	Provider of Direct Subsidies in the Form of Training	• Provide customized OJT or classroom training as a direct subsidy to businesses	4

LINKAGE STRATEGIES AND APPROACHES	PIC ROLE OPTIONS	ACTIVITY OPTIONS	MODEL NO.
STRATEGY D: PERFORMING KEY ECONOMIC DEVELOPMENT FUNCTIONS Approach: Institutional Capacity Building To strengthen or establish local community institutions capable of generating and maintaining development activities.	Supporter of Economic Development Functions and Staff Positions	• Provide assistance, i.e., grants, to economic development organizations to conduct job creating projects • Create positions in economic development agencies which can then foster and support local small business and economic development activities. Positions may include: --housing and real estate development specialist --business analyst/business packager --economic planner --organizational development/management specialist --researcher/writer/marketing specialist • Provide staff for community organizations involved in: --providing venture capital --offering entrepreneurship training --giving technical assistance to small business --organizing enterprises to provide community services --developing infrastructure (see field memo) --organizing cooperatives --organizing investment from private market sources for community revitalization	3 2
	Generator of Economic Development Support Institutions	• Become lead advocate at local and state level for the creation of state and local agencies established to provide project-specific technical assistance to CDCs, LDCs, and small business Technical assistance areas could include: --development and operation of staff training seminars --development and operation of vocational training programs --business packaging --loan packaging --business management --personnel management	

LINKAGE STRATEGIES AND APPROACHES	PIC ROLE OPTIONS	ACTIVITY OPTIONS	MODEL NO.
		--feasibility studies/market analyses --minority entrepreneurship training --marketing --how to bid on municipal purchases and contracts • Develop capabilities to provide technical assistance through the PIC • Become a lead advocate at state government level in campaign for state-created finance institutions for: --CDC, LDC venture finance capital --direct equity investments --loan guarantees --loan subsidization (low-interest start-up capital) • Develop and fund positions which create local economic development agencies and/or authorities where none exist	
Approach: Promote/Enhance the Local Business Environment To promote economic development through improvement of infrastructure and business climate.	Marketer and Promoter in Business Attraction Efforts	• PICs can link up with the economic development community to co-sponsor --business attraction efforts --joint marketing and public relations efforts Activities might include: --sponsorship of foreign or out-of-state advertising campaigns through the media or mail --conferences/tours for out-of-town businesses looking for a place to expand or build a new facility	8
	Developer of Social and Physical Infrastructure	• Support service-related improvement projects --recreational programs --child care facilities	

LINKAGE STRATEGIES AND APPROACHES	PIC ROLE OPTIONS	ACTIVITY OPTIONS	MODEL NO.
		• Fund "public works" projects that improve public services or facilities --clean up parks --improve transportation systems	10
		• Fund professional assistance to design industrial parks, shopping centers or other business facilities	2
		• Provide financial support to the design of industrial parks	
		• Develop alternative transportation systems to transport workers from areas of high unemployment to high demand	10
		• Support positions in organizations responsible for zoning, recycling, housing rehabilitation, commercial revitalization, etc.	

ECONOMIC DEVELOPMENT LINKAGE PROJECT MODELS

1. Labor Market Survey for Planning Business Ventures
2. Support to Economic Development Organizations
3. Training Credit Program
4. Upgrading Program
5. Entrepreneurial Training
6. Business Assistance Program
7. Procurement Outreach Program
8. Campaign to Attract Investment of Foreign Businesses
9. Start-up Program: Business Cooperation
10. Developing a Local Transportation System

PROJECT MODEL #1

Labor Market Survey for Planning Business Ventures

Economic Development Linkage Approaches:

Developing of Human Capital
Building Institutional Linkages

PIC Roles:

- Analyst of Local Market Conditions
- Coordinator of Programs
- Planner

Project Intent:

To provide community development corporations (CDCs) with a tool for assessing the existing labor force in low-income neighborhoods, thereby assisting them to plan business ventures.

Project Description:

The CDCs work with entrepreneurs and financial institutions to create new businesses in economically distressed neighborhoods, thereby generating investment and new jobs for the low-income residents of these areas. Without information about the labor market conditions at the neighborhood level, it is difficult for the CDCs to make responsible decisions regarding the type of business ventures they wish to support and attract. Whether the jobs created through CDC ventures match the skills of local residents is often a matter of luck rather than thoughtful planning.

Available labor market data is not collected at the neighborhood level and the CDCs asked the PIC to help them get a more accurate picture of the residents for whom they are trying to create jobs.

To address this problem, the PIC agreed to develop a handbook for use by CDCs in collecting labor market information at the neighborhood level and to train the CDCs in use of the handbook. The handbook emphasizes practical information about the demographic composition of the local labor market, the skill levels, work histories and education of neighborhood residents and special needs of the unemployed people in the community. The handbook contains a step-by-step description of how to identify the types of economic development projects and activities that the CDCs should pursue.

Making It Work:

1. The PIC worked closely with the community development corporations to identify their specific labor market needs. The handbook was developed under careful review by the CDCs and a panel comprised of representatives of other academic, public and private institutions.

2. The handbook was tested by one CDC, then refined for wide distribution.

Implementation Hints:

Inventory existing sources of labor market information. Adapt available techniques of isolating information at the neighborhood level.

Establish an advisory panel to provide guidance and information. This increases your information base and provides greater exposure for your project.

Test the handbook and other tools; build in time for refinement. Try out the system you develop and plan on an extra month or two in the development stage to refine the system and tools before making them generally available.

Develop a communications system between the CDCs and the local providers of employment and training. Formal systems that coordinate business development with employment and training programs can help to ensure that a portion of the jobs created go to CETA-eligible neighborhood residents.

Watch Out For:

Unrealistic Planning. Development of new techniques to collect data not currently available is time consuming. Be sure to plan enough time for research, development and testing.

Making it too complicated. The emphasis should be on producing practical useable data for CDCs in making decisions about the type of jobs and businesses to develop in a particular community. Beware of trying to duplicate the more complex labor market information systems used statewide. Collect only what is needed.

Measuring Success: How many CDCs use the handbook?

How helpful is the handbook in selecting business ventures?

How helpful is the handbook in developing training programs for CETA-eligible residents?

PROJECT MODEL #2 Support to Economic Development Organizations

Economic Development Linkage Approaches:

Institutional Capacity Building
Promote/Enhance the Local Business Environment
Building Institutional Linkages

PIC Roles:

- Supporter of Economic Development Functions and Staff Positions
- Developer of Infrastructure
- Coordinator of Programs
- Planner

Project Intent:

To foster the creation of private sector jobs for the economically disadvantaged by providing direct support to job creating projects conducted by local economic development organizations.

Project Description:

The PIC joins with three private economic development organizations to implement a comprehensive revitalization plan designed to result in additional jobs. Projects carried out by one development organization and funded by the PIC's EGS funds include:

- A study of projected labor needs and the current labor supply
- Projections of the need for land and industrial or office space
- Identification of growth industries within the area or industries likely to locate in the area
- Development of an economic development strategy for acting on the data described above.

The PIC provides grants to a second development agency to finance the loan packaging needed to secure monies for a downtown business revitalization program expected to create 500 jobs. Another grant, financed by EGS funds, goes from the PIC to a CDC for a detailed study of local development zones. The PIC grant enables the CDC to determine the need for parking, the number and size of buildings required, and the amount of open space to be built in the revitalized commercial district. The PIC also funds a consulting firm to act as the manager of the CDC for a limited time, thus providing technical and staff support directly to the CDC.

Making It Work:

1. Where appropriate, develop interlocking relationships with development organizations. This can be accomplished through cross-membership on the PIC and boards of directors of the development corporations and can enhance the coordination between these bodies.

2. The development-oriented projects in which the PIC becomes involved and the nature of the PIC's involvement need to be carefully considered. The test should be whether the PIC's support of a particular CDC or like organization will lead to the creation of private sector jobs.

3. The PIC's association with local development organizations facilitates its access to the business community and increases the likelihood of obtaining new jobs for the CETA-eligible population.

Implementation Hints:

Consider approaching the business community through existing organizations that the community respects. PIC programs may be easier to sell if they are introduced by an organization that has established credibility within the business community.

Use the information gained through labor market studies and the business development surveys conducted by CDCs to develop training programs. These studies will often uncover the need for an OJT or upgrading program within existing businesses.

Watch Out For:

The pitfalls of "interlocking" with another existing group or agency. Although interlocking or merging the PIC with an economic development agency might work well for some PICs, it may not work for others. Before interacting with another organization, carefully examine the personalities and organizational entities. If a compatible philosophy does not exist, you may be inviting trouble rather than strengthening organizational linkages.

Measuring Success:	How many jobs are created as a result of the economic development activities supported by the PIC? How many economically disadvantaged residents obtain jobs? Do the PIC-financed activities enable local organizations to carry out job creating projects they would not otherwise implement?

PROJECT MODEL #3

Training Credit Program

Economic Development Linkage Approaches:

Financial Incentives to Businesses
Building Institutional Linkages
Institutional Capacity Building
Development of Human Capital

PIC Roles:

- Provider of Direct Subsidies
- Provider of Information on Tax Credits and Other Financial Subsidies
- Public/Private Partnership Builder
- Provider of Trained Workers for Local Businesses

Project Intent:

To increase the placement of CETA-eligible residents in jobs created through the business ventures supported by a community development corporation (CDC), by offering employers a small credit against loans provided by the CDC.

Project Description:

The CDC provides loans and loan guarantees to minority and small businessess that are starting up or expanding within low-income neighborhoods of the city. To persuade these companies to hire CETA eligible residents of the neighborhoods, the PIC and the CDC developed the "training credit."

The PIC develops OJT contracts with selected companies and, in return, the CDC gives the company a partial credit against the outstanding loan. The program trains unemployed individuals for jobs within the community while providing an incentive to businesses to hire low-income neighborhood residents.

Making It Work:

1. The PIC established a close working relationship with the CDC. That relationship resulted in the idea for the training credit program.

2. OJT participants are carefully screened before they are referred to the participating businesses.

3. Paperwork for the training credit and the OJT contract is handled jointly by the PIC and the CDC.

4. The PIC helps to market the availability of the training credit as an incentive to businesses to participate in the PIC's OJT program.

Implementation Hints:

Establish strong ties with local development organizations. Arrangements for joint programs like the training credit evolve only from solid linkages between the PIC and these economic development institutions.

Jointly develop procedures and criteria for administering the training credit. Coordination between the PIC's OJT component and the CDC must be strong.

Advertise the training credit to local businesses. Provide materials for use by the CDC and other development organizations.

Establish rigorous client referral standards and follow-up procedures for affected OJT programs.

Watch Out For:

Follow-through with employer hiring commitments. Work closely with the participating companies to ensure OJT participants are hired at the end of the training program.

Measuring Success:

How many businesses participate in the credit program?

How many businesses respond to advertising efforts to promote the training credit concept?

How many CETA-eligible individuals are hired by the participating companies?

PROJECT MODEL #4

Upgrading Program

Economic Development Linkage Approaches:

Development of Human Capital
Providing Incentives to Business

PIC Roles:

- Provider of Training and Development Assistance to Growing Companies
- Provider of Direct Subsidies in the Form of Training
- Developer of Employer-Operated Training Programs

Project Intent:

To help a local company to train current employees for better jobs, and thereby create entry-level jobs for CETA-eligible individuals.

Project Description:

This upgrading program is operated by the PIC using Title II-C monies. It was developed by the PIC in cooperation with the local government to help a manufacturing plant upgrade a portion of its existing workforce, avoid lay-offs and create entry level vacancies for CETA clients.

The program evolved as part of a combined effort of the City's Economic Development Department and the PIC to help a manufacturing company open a new facility. The Economic Development Department provided a $1 million loan guarantee to finance the company's location costs and turned to the PIC to help upgrade the skills of current employees, many of whom were originally hired through CETA. The PIC financed a training subsidy equal to the salary increases that the employees received as a result of the training and helped the company to develop the training curricula.

The company financed other costs associated with the year-long upgrading program, which was taught by the company foreman. Current CETA clients are given priority in filling the vacancies created by the upgraded workers. Together, the loan guarantee and the PIC's upgrading program proved to be an effective business incentive and, as a result of this project, the PIC has received inquiries from other companies interested in training subsidies.

Making It Work:

1. Initial collaboration between the PIC and the City's Economic Development Department grew from the Department's representation on the PIC. The Department's representative was able to inform the PIC of the company's plans to move to the city, and asked the PIC to come up with a training incentive package.

2. As part of the agreement between the PIC and the company, the company agreed to give first consideration to CETA-eligible applicants in refilling any entry-level jobs vacated by the newly trained employees.

Implementation Hints:

Use your PIC members from local development organizations to build organizational linkages and to develop joint projects. Where feasible, cross representation of PIC members on development organizations and vice versa can help to develop the type of collaboration demonstrated in this project.

Work closely with the Prime Sponsor staff to plan upgrading programs. Nationwide, little of the Title II-C monies available for upgrading has been spent for that purpose, and many Prime Sponsors will welcome help from the PIC to plan upgrading programs. The PIC can effectively use its contacts with the private sector and development organizations to broker upgrading programs using Title II-C funds.

Build a "backfill" agreement into your training contract with the company. This will help to ensure that CETA-eligible individuals have increased access to the jobs created as a result of upgrading.

Watch Out For:

Protecting vacancies for CETA clients. In setting up an upgrading program, be careful to assess the likelihood that entry-level jobs will be created as a result of the training. DOL regulations require that at least one CETA-eligible person be hired into an entry-level position for every two employees who are upgraded. Some PICs have negotiated even more strict "backfill" agreements with employers as a condition of receiving upgrading subsidies.

Measuring Success:

How many employees are upgraded into new, better paying jobs as a result of the training?

What is the average wage increase for upgraded employees?

How many jobs are preserved (how many workers are not laid off) as a result of the upgrading program?

How many vacancies are created as a result of the program?

How many CETA-eligible individuals are placed in the entry-level positions created through the upgrading?

PROJECT MODEL #5 Entrepreneurial Training

Economic Development Linkage Approaches:

Development of Human Capital
Enterprise Development

PIC Roles:

- Trainer of New Entrepreneurs and Business Managers
- Developer of New Businesses

Project Intent:

Train CETA-eligible clients to start and operate their own businesses, thereby creating additional job opportunities and investment within the community

Project Description:

This is an entrepreneurial training program funded by Title VII and operated by the Private Industry Council in cooperation with the Prime Sponsor. Intensive (3 consecutive 8-week cycles), inexpensive ($2,700 per enrollee) training is provided to CETA-eligible clients selected by a panel comprised of local bankers and PIC board members. Classroom training in business management and start up are combined with practical "internship" experience, under the guidance of a local business operator. Program graduates are trained to submit a complete business plan and loan package to one of the participating local banks. Ninety percent (90%) of the participants are expected to open businesses as a result of the program.

Making It Work:

1. A private consulting/training firm conducts the training program under contract to the PIC.

2. Program participants are selected from a pool of CETA-eligible applicants who are already skilled and experienced in the field in which they have chosen to start a business.

    - Applicants are carefully screened for eligibility and aptitude

    - Applicants must complete a special business proposal and a special resume which describes their business objectives, experience, education and references

- Selections are made by a panel composed of a banker, a PIC member and the training contractor

3. Support and participation of the business community are essential and are secured before the training is started.

   - Program concept was announced using radio, newspapers and community business meetings

   - Special loan commitments to program graduates were secured from banks

   - Business operators agreed to serve as guest speakers or sponsors of student "interns" during training period

4. Training emphasizes practical application of subjects covered and blends classroom work with first-hand exposure to business management and operation.

   - Assignments are keyed to practical preparation for the specific business the participant intends to start

   - Field assignments and guest speakers from the business community provide exposure to actual business issues

5. Program is highly individualized.

   - Design promotes individualized learning and progress; classes are small and assignments individualized

   - Staff maintains close contact with participants; participants report progress on assignments daily, business counseling is provided, and tutoring is available

6. Follow-up and evaluation are important. PIC needs to stay in contact with graduates for one year to determine retention rates of businesses and to generate ideas for improving the program.

Implementation Hints:

Research the needs of your local economy and identify opportunities for new business. One PIC focused on service industries as the most feasible field for new business in its area, your PIC may identify other growth fields.

Let your business community know what you're planning to do and ask for their involvement. Use available media and take advantage of local talk shows to advertise the program. Private industry Council members can develop contacts and promote small introductory meetings with other business people.

Emphasize program benefits to the business community whose help you need. The banker who organized loan funds for graduates in one such program explained to other banks that providing these loans would satisfy their Community Investment Fund obligations.

Select candidates whose business goals are achievable and who have appropriate background in the service they want to sell. Program sponsors feel strongly about putting a stop to the failure cycle which economically disadvantaged people have traditionally known. Select only those trainees who have a realistic chance of succeeding.

Blend a supportive structure with independent assignment and maintain close contact with trainees. Stay in touch with trainees throughout the program and frequently request their evaluation of the course as well as of their own field assignments.

Provide ample opportunity for practical experience and make sure it is useful. The course's blend of instruction and fieldwork assignment not only sharpens trainees' theoretical skills but moves them steadily toward the actual start of their own business.

Watch Out For:

Enrolling participants who do not already possess the vocational skills required to operate a business in their chosen field; e.g., a trainee who plans to open a beauty shop should already be a hairdresser.

Problems in locating capital for needed equipment. Some businesses require equipment that is more expensive than bank loans will normally cover. Talk to the banks about additional support and determine realistic equipment costs before enrolling trainees.

Measuring Success:

How many CETA-eligible clients started businesses?

How many businesses are still operating 6 and 12 months after they are started?

How many additional jobs (other than those of the graduate/owners) are created?

PROJECT MODEL #6

Business Assistance Program

Economic Development Linkage Approaches:

Enterprise Development
Building Institutional Linkages

PIC Roles:

- Provider of Management/Technical Assistance to Employers
- Public/Private Partnership Builder
- Broker of Information

Project Intent:

To contribute to the city's business expansion and attraction efforts by providing business assistance services to local and prospective businesses; and to increase job opportunities for CETA-eligible residents.

Project Description:

The PIC operates a one-stop business assistance center for local businesses and for those planning to locate in the city. Through the center, partially staffed by specialists from the Chamber of Commerce, the Urban League and the state employment service, employers receive a variety of business development and management assistance. The types of services available include:

- development and review of business plans and feasibility analyses
- assistance with site location, permits, licenses and zoning variances
- loan packaging and identification of venture capital
- recruitment and training of employees
- information on the Targeted Jobs Tax Credit.

Making It Work:

1. The one-stop business assistance center grew from collaboration among the PIC and other key community and government leaders who jointly developed a comprehensive

economic revitalization and development effort. The center is staffed jointly by several agencies.

2. The services to business are closely coordinated with employment services to CETA-eligible residents; there is a clear intention to place CETA-eligible clients into jobs created as a result of the revitalization and development efforts.

3. In return for cost-free business development assistance, businesses using the center agree to give first consideration to hiring CETA-eligible applicants. For 72 hours, job openings with participating employers are reserved for CETA applicants who are screened and referred by the local employment service.

Implementation Hints:

Analyze the economic health of your city and identify available resources as well as specific problems. Assess the problems to see if they can be remedied and assess the resources to see if they can be harnessed to solve the problem.

Set realistic goals. Economic development activity often requires much preliminary work before actual job placements can occur.

Identify the broad economic development strategies, such as the support and revitalization of existing businesses and/or the attraction of new ones.

Target your audience. Does the community want to attract small businesses or is there room in the area for large employers as well. Know who you are trying to attract and concentrate on that market.

Seek the support and input of local businesses as well as other key community figures. At the outset, collect vital information from these sources to determine the breadth and scope of the proposed economic development program. Once the program is established, be flexible and responsive to the current needs of program participants.

Identify funds that are available for economic development. This project is funded not only by CETA Title VII money, but with federal funds from the Small Business Administration and the Department of Housing and Urban Development.

Develop and distribute information packets that describe project goals and services. Update these as necessary to reflect project results.

Watch out for:

Setting unrealistic performance goals. Recognize the time it takes for most economic development efforts to produce results. Short-term success can more realistically be measured in terms of the number of job placements. Distinguish between development goals (usually long term) and immediate impact goals.

Duplication of effort. This type of project is designed for operation in a community where no similar service is available. Combining the resources of a number of local agencies helps to foster coordination and avoid duplication.

Measuring Success:

How many existing local businesses are contacted and advised of the services available through this project?

How many businesses use the service?

How many jobs are created through businesses receiving the project's services?

How many jobs are preserved as a result of services provided through the project?

How much investment is generated as a result of the loan-packaging services provided?

How many CETA-eligible residents are hired by companies using the services of the project?

PROJECT MODEL #7 **Procurement Outreach Program**

Economic Development Linkage Approaches:

Building Institutional Linkages
Enterprise Development

PIC Roles:

- Broker of Information
- Provider of Technical Assistance to Employers

Project Intent:

To increase the local share of government business by assisting local businesses to obtain federal procurement contracts, thereby helping to create and retain jobs for local residents.

Project Description:

Title VII Employment Generating Service funds are used by the PIC to offer technical assistance to businesses interested in obtaining federal procurement contracts. The project does not provide legal assistance, but offers other services including information on:

- how to get on bidders' lists
- how to prepare and submit a bid
- which agencies are accepting bids for what type of products
- how to review the company's financial status and determine qualifications for procurement competition.

The PIC also markets the procurement outreach program to businesses, primarily those located in areas targeted by the city for revitalization.

Making It Work:

1. The procurement outreach program grew from ongoing cooperation between the PIC and the city's wider economic development activities. Through regular contact with city and private development organizations, the PIC became aware of the need for various projects it could fund or help to implement.

2. The need for a procurement outreach program was identified by the PIC when it realized that billions of dollars in federal procurements are contracted in the city, but that relatively few go to local firms.

3. The program is a two-year demonstration project.

Implementation Hints:

Visit federal procurement centers in the area. They generally have a wealth of information available.

Talk with federal contractors and others to pick up any local practices in the procurement process that don't appear in published regulations or procedures.

Read procurement material carefully. Though this can be tedious, even a small procedural mistake can spell failure.

Encourage the businesses you are helping to take a realistic view toward procurement. They should not expect to win a contract on their first try.

Include technical assistance in any procurement outreach program. Small firms especially may need business and accounting advice in working through the intricacies of bids and pricing.

Identify the market very carefully. To increase the chances of success and focus resources where they will have the most impact, look at growth industries, labor market trends, and specific local procurement activity.

Watch Out For:

Expecting a payoff in terms of job creation too soon. Don't expect jobs to be created as a result of the project until the second year.

Measuring Success:

How many companies are provided procurement assistance?

How many local companies obtain federal contracts?

How many jobs are created as a result of the procurement contracts?

PROJECT MODEL #8

Campaign To Attract Investment From Foreign Businesses

Economic Development Linkage Approaches:

Promote and Enhance the Local Business Environment
Build Institutional Linkages

PIC Roles:

- Marketer and Promoter of Business Attraction Efforts
- Public/Private Partnership Builder

Project Intent:

To generate additional job opportunities for CETA-eligible residents by attracting foreign investment to the area.

Project Description:

The PIC worked closely with state and local economic development organizations to launch a campaign designed to attract investment from Europe and Japan. The campaign is a key component of a more comprehensive business development effort operated by the area-wide Economic Development Council, a private organization that receives funds from a variety of public and private sources. This PIC-funded project is designed specifically to create jobs by convincing foreign companies to locate facilities in the area. The objective is to generate responses from 60 foreign companies, and to convince at least 10 to locate in the area, creating 500 to 800 jobs within a three year period. The program consists of two major efforts: a direct mail campaign to selected foreign corporations and a print media advertising program in foreign periodicals. The advertisements and direct mail material (including a pamphlet outlining the business attractions of the area) focus on the area's

- available workforce
- training and recruiting services (available through the local employment and training system)
- transportation
- pro-growth attitude toward business.

The state operates a foreign business office and the state representative uses the PIC's advertising materials.

By joining forces with the Economic Development Council, the PIC is able to expand the existing business development campaign previously directed to domestic companies.

Making It Work:

1. The PIC joined with an existing private organization to expand and enhance the area's business development efforts, thereby creating new public/private partnerships.
2. To facilitate coordination between the PIC and the area's ongoing development activities, a member of the Economic Development Council sits on the PIC.
3. The PIC works closely with the Economic Development Council to plan PIC development-related activities.

Implementation Hints:

Aim the campaign at companies likely to find the area's attractions appealing. If transportation is an attraction, direct your campaign to companies for whom available transportation is important; for example, industrial manufacturers.

Advertise in periodicals read by your target audience. The readership of a publication is more important than its total circulation.

Recognize that stimulating initial interest is only the first step in a campaign likely to take months, even years.

Commit adequate resources to the economic development project. Responsibility for the full marketing campaign program must rest with an agency or organization with adequate resources to carry it through to completion.

When starting something new, use early informal consultation to help obtain later formal approvals. Had the PIC's direct mail and foreign advertising plan been withheld from the Department of Labor (DOL) until it was submitted for formal approval, it might well have been held up in lengthy review and questioning.

Work for consensus among constituent elements and interested groups whose interests are likely to be affected and whose support will be needed and keep them informed as a project is developed. Coordination with local development groups and appropriate government agencies early in project planning helps to avoid communications problems and builds support for the project.

Watch Out For:

Unrealistic timetables to meet goals and objectives. The time lag between the advertising campaign and the attraction of foreign businesses is likely to be several months or a few years.

Duplication of effort. Be sure to coordinate any business development campaigns with appropriate community and public organizations, e.g., the Chamber of Commerce, the state commerce and economic development departments, and private development organizations.

Providing access to new jobs for CETA-eligible residents. Once a company agrees to locate in the area, the PIC should be prepared to follow through with the providers of appropriate recruitment and training services to ensure that CETA clients benefit from the new business expansion.

Measuring Success:

How many companies respond to the advertising campaign?

How many companies are contacted by local representatives through the campaign?

How many companies locate in the area?

How many jobs are created?

How many CETA-eligible residents are hired to fill these new jobs?

What other cooperative ventures does the PIC become involved with as a result of the institutional linkages made during this project?

PROJECT MODEL #9

Start-Up Program for a Business Cooperative (or Employee-owned Corporation)

Economic Development Linkage Approaches:

Development of Human Capital
Enterprise Development

PIC Roles:

- Provider of Trained Workers for Local Businesses
- Developer of New Businesses

Project Intent:

To develop a self-sustaining business that employs economically disadvantaged residents in an occupation for which they are already trained.

Project Description:

The PIC and the Local Artists Foundation collaborate on a project to turn hand lacemaking--a craft that the city's Portuguese families have passed along from generation to generation--into a profitable business, owned and operated by the artisans. The plan is to develop a self-contained, profit-making sales company in which the artisans are shareholders (either a worker cooperative or an employee-owned corporation).* The PIC decided to underwrite a portion of the venture, based on research by the Department of Agriculture's Agricultural Cooperative Services Department that showed there is a market for lace products.

Making It Work:

1. The PIC uses Employment Generating Service (EGS) funds for community outreach to identify residents who have lacemaking skills and determines their eligibility for CETA.
2. The PIC also pays for product development and some start-up costs that might include market studies, business planning and loan packaging. The cost of training new employees as the business expands is paid for with Title VII skill training funds.

*In each instance, workers own the company. In a cooperative, voting rights, control, and profits cannot be transferred or sold with the company shares, but belong only to the workers.

3. The Artists Foundation manages the project, using monies from the PIC, the Small Business Administration and the state sponsored Community Development Finance Corporation. Additional funds may come from the State Arts Council, the U.S. Department of Education and the National Endowment for the Arts.

Implementation Hints:

Carefully analyze the local labor market to identify the skill level and mix of low-income residents. It is important to identify a marketable skill that can be the basis for a cooperative business venture.

Identify diverse sources of funding. A jointly funded project has broad-based support and will be more likely to succeed.

Put on an exhibition of the work/products to be produced by the ventures. A traveling exhibition will illustrate the quality of work and serve as an excellent public relations device to announce the new business.

Watch Out For:

Problems in establishing a worker-owned venture. Know the difference between worker co-op arrangements and other employee-owned corporations, including those where employees directly own company shares, and those whose shares are owned through an employee stock ownership plan (ESOP). For details on worker-owned businesses, contact the Industrial Cooperative Association, 249 Elm Street, Somerville, Massachusetts 02144.

Inaccurate market projections. Get professional help in determining demand, then put some deliberate effort into marketing.

Measuring Success:

How many jobs are created through the project?

Is the business still operating after one year?

Is the business totally self-sustaining after a set period?

How many CETA-eligible residents secure jobs as a result of the project?

At what costs were the jobs secured?

PROJECT MODEL #10

Developing a Local Transportation System

Economic Development Linkage Approaches:

Enhancing the Local Business Environment

PIC Role:

- Developer of Infrastructure

Project Intent:

To reduce turnover and to expand employment opportunities by improving transportation between low-income housing and workplaces.

Project Description:

The PIC in a mid-sized city identified pockets of unemployment and determined that lack of affordable transportation was a barrier to the employment of residents in these areas. The PIC decided to develop additional transportation systems to move the unemployed residents to areas of high demand. New transportation lines serving employers and employees can be established by one of two methods:

A. Contracting with a private transportation company to run bus lines between low-income residential and outlying industrial areas.

B. Negotiating with public transportation to add lines to outlying industrial areas.

Making It Work:

1. The PIC first conducted a study to determine existing transportation patterns and the location of unemployed individuals. A plan to fill the transportation service gaps emerged from the study.
2. The PIC obtained labor market data that located employers with high turnover in entry-level jobs.
3. These companies were contacted by the PIC, using exploratory phone calls, letters of introduction or personal visits.

4. The PIC met with interested companies to examine survey data, propose services, explore alternative methods of providing service, and to set program evaluation criteria.

5. Based on these discussions, the PIC selected the method of transportation and arranged for service.

Implementation Hints:

Carefully determine relationship between high turnover or difficulty in filling entry-level jobs and transportation service gaps.

Coordinate project with appropriate public and private organizations. Include the appropriate government agencies in the design of the transportation system and negotiations with contractors.

Determine with cooperating companies how costs will be shared. Costs may be covered by fare receipts, EGS grant, and/or subsidies from businesses served.

Structure the transportation system to become self-sufficient or employer-subsidized within a year or two.

Keep in constant contact with employers to monitor usage, quality of service, and need for schedule or route changes.

Watch Out For:

Contracts with transportation companies that are not professionally managed. If service is not absolutely dependable, people will not use it.

Rigid agreements that do not allow leeway for changes in worker shifts, route modifications, allocation of buses, and other variables.

Measuring Success:

How does actual usage compare with expectations after one month? Six months? One year?

After six months or one year, how many people hired during that period use the new system?

How many new hires who use the program do not have access to a car?

In the long term (1 to 5 years), how many CETA participants without cars are placed with employers served by their transportation program?

LINKAGE STRATEGIES: A SELF-ASSESSMENT TOOL

This worksheet will help PICs conduct an initial assessment of the types of linkage approaches they can pursue and the capacity of the PIC to implement them. It is a first step in mapping out an economic development linkage strategy. Refer to the **Options Chart** for suggested linkage approaches, roles and activities.

1. Linkage Approach

   In the first column, list the approaches to linking economic development and employment and training activities.

2. Role Options

   What are the various roles the PIC can play to make the linkage? List these in column 2.

3. Activity Options

   For each role, identify in column 3 the specific activities the PIC might pursue.

4. Assessment Issues

   Use columns 4-6 to answer basic questions about your PIC's capacity to implement the alternative linkage approaches and roles and activities.

For an example of the way this worksheet might be used, see the partially completed sample.

LINKAGE STRATEGIES - A SELF ASSESSMENT TOOL

1	2	3	4	5	6
LINKAGE APPROACH	ROLE OPTIONS	ACTIVITY OPTIONS	ASSESSMENT ISSUES		
			Can the CETA-eligible population in your service area benefit from this strategy?	Does it make sense for the PIC to select this strategy?	What resources are needed to implement this strategy?

SAMPLE

LINKAGE STRATEGIES - A SELF ASSESSMENT TOOL

1	2	3	4	5	6
LINKAGE APPROACH	ROLE OPTIONS	ACTIVITY OPTIONS	ASSESSMENT ISSUES		
			Can the CETA-eligible population in your service area benefit from this strategy?	Does it make sense for the PIC to select this strategy?	What resources are needed to implement this strategy?
Promote/Enhance the Local Business Environment To promote economic development through attracting new business, retaining existing enterprises of expanding business in the area to increase job potential for CETA clientele.	Marketer and Promoter in Business Attraction Efforts	• Sponsor foreign or out-of-state advertising campaigns • Sponsor conferences/tours for out-of-state businesses	Yes. Entry-level jobs can be filled by CETA-eligibles.	Yes. No other organization has sponsored a business attraction campaign; PIC is equipped to do it with help from Mayor's Office and Chamber of Commerce.	• Cooperation and loaned staff from Mayor's Office, Chamber of Commerce • Approximately $30,000 Title VII funds.
	Broker for Private Investment (lending institutions, developers) in Projects that will Create Jobs for the Structurally Unemployed	• Conduct discussions with banks regarding their community investment policies and obligations (under the Community Reinvestment Act) to invest in community projects.	Yes.	No. City Economic Department already does this.	
		• Sponsor individual business ventures (including those involving the self-employment of CETA-trained individuals).	Yes. Prime Sponsor runs an entrepreneurial training program for CETA-eligibles.	Yes. PIC has access to bank management. Can endorse the graduates of the entrepreneurial training as good loan risks.	• Coordination with Prime Sponsor to set up meetings with banks re: the entrepreneurial program.

ECONOMIC DEVELOPMENT LINKAGES PLANNING WORKSHEET

This worksheet is designed for use with the self-assessment worksheet. Once the PIC has completed the initial assessment of the various linkage approaches and their appropriateness for the PIC and the community, the Linkages Planning Worksheet can be used to map out some specific program activities.

1. Selected PIC Roles

   In column 1, list the most appropriate roles.

2. Primary Program Objective

   In column 2, specify the primary objective of each role--what does the PIC want to accomplish?

3. Selected Activities

   List in column 3 the specific activities the PIC can sponsor to achieve the program objective (from column 3 on the assessment worksheet).

4. Resources Needed

   List the financial and non-financial resources needed for each activity. Non-financial resources include the cooperation of other organizations; staff, consultant and PIC member support; and information. (The information from column 5 on the assessment worksheet will be helpful.)

5. Evaluation Criteria

   What indicators will the PIC use to determine success? Be as specific as possible. Present indicators in terms of changes you expect to see and time in which you expect the changes to occur. List these in column 5.

See the completed sample worksheet for an example.

ECONOMIC DEVELOPMENT LINKAGES
PLANNING WORKSHEET

SELECTED PIC ROLE(S)	2 PRIMARY PROGRAM OBJECTIVE	3 SELECTED ACTIVITIES	4 RESOURCES NEEDED		5 EVALUATION CRITERIA
			FINANCIAL	NONFINANCIAL	

SAMPLE

ECONOMIC DEVELOPMENT LINKAGES
PLANNING WORKSHEET

1	2	3	4		5
SELECTED PIC ROLE(S)	PRIMARY PROGRAM OBJECTIVE	SELECTED ACTIVITIES	RESOURCES NEEDED		EVALUATION CRITERIA
			FINANCIAL	NONFINANCIAL	
Marketer and promoter in business attraction efforts	To create additional jobs for local residents by increasing business activity	1. Conduct mail campaign to selected high technology firms	$25,000 to design and publish promotional materials $2,000 for postage $1,000 to identify the firms that will be targets of mailing $3,000 for part-time clerical support	donated assistance from local advertising firm(PIC member) to design campaign endorsement of Mayor and Chamber of Commerce loaned staff consultant from Chamber of Commerce Coordination with the state commerce and economic development agencies	•At least 10% of firms contacted must respond to the mail campaign withi six months •At least one firm must locate in the area within 24 months of the campaign •At least 5% of the jobs must be filled by CETA-eligible workers
		2. Co-sponsor a 2-day business attraction conference for out-of-town firms to promote our community as a good place to do business	$5,000 for promotional materials $2,000 for postage	Cooperation and endorsement of Mayor, Chamber of Commerce, city development agency. 4 loaned staff from above agencies for 2-month planning period	•At least 50% of the businesses invited must attend the conference •At least 10% of those that attend must follow up with inquiries about locating in town, within a six month period •Within 24 months, at least 100 new jobs must be creat

SOURCES OF TECHNICAL ASSISTANCE

- CENTER FOR COMMUNITY ECONOMIC DEVELOPMENT, 1320 19th Street, N.W., Washington, D.C. 20036. (202) 659-3986

  Maintains a library of materials on community economic development. Will provide assistance by phone.

- CORPORATION FOR ENTERPRISE DEVELOPMENT, 1527 18th Street, N.W., Washington, D.C. 20009. (202) 387-5833

  A research and policy group. Publishes a variety of materials on enterprise development and its connection with CETA and job creation.

- FEDERATION OF SOUTHERN COOPERATIVES, P.O. Box 95, Epes, Alabama 34560. (205) 652-9676

  Operates in Alabama, Texas, Louisiana, Georgia, South Carolina, Mississippi, and parts of Kentucky, Tennessee, North Carolina, Arkansas and Missouri. Specializes in rural job creating CETA projects.

- HUMAN RESOURCES DEVELOPMENT INSTITUTE (HRDI), 815 16th Street, N.W., Washington, D.C. 20006. (202) 638-3912

  A division of the AFL-CIO. Provides assistance to employers, unions, and local organizations to develop employment and training programs. Contact your local AFL-CIO.

- INSTITUTE FOR ECONOMIC DEVELOPMENT, 1825 K Street, N.W., Suite 215, Washington, D.C. 20006. (202) 659-0040

  Research organization interested in community economic development and linkages with CETA.

- INSTITUTE FOR LOCAL SELF-RELIANCE, INC., 1717 18th Street, N.W., Washington, D.C. 20009. (202) 232-4108

  Provides technical assistance, for a fee, to help with small business development, energy conservation and solar energy.

- INSTITUTE FOR NEW ENTERPRISE, 385 Concord Avenue, Belmont, Massachusetts 02178. (617) 489-3950

  For a fee, provides assistance primarily to CDCs in selecting business ventures.

- NATIONAL ALLIANCE OF BUSINESS, 1015 15th Street, N.W., Washington, D.C. 20005. (202) 457-0040

- NATIONAL COUNCIL FOR URBAN ECONOMIC DEVELOPMENT, 1730 K Street, N.W., Washington, D.C. 20006. (202) 223-4735

  Provides assistance by telephone regarding economic development tools and programs. Operates a consultation service on planning and implementing local economic development.

- NATIONAL RURAL CENTER, 1828 L Street, N.W., Washington, D.C. 20036. (202) 424-9679

  Research and policy organization focusing on issues in low-income rural areas. Operates free telephone assistance program and published materials on rural issues.

- NATIONAL RURAL DEVELOPMENT AND FINANCE CORPORATION, 1300 19th Street, N.W., Washington, D.C. 20036. (202) 659-2064

  Conducts research on manpower and community based organizations, operates CETA/economic development linkage projects. Provides help for community economic development in rural areas.

Note: The primary source of this information is CETA as a Development Resource by the National Governors' Association.

FEDERAL ECONOMIC DEVELOPMENT PROGRAMS

U.S. DEPARTMENT OF AGRICULTURE
Farmers Home Administration

- Area Development Assistance Planning Grants
- Business and Industry Development Loans and Grants
- Community Facility Loans
- Water and Waste Disposal Systems for Rural Communities

U.S. DEPARTMENT OF COMMERCE
Economic Development Administration

- Title I: Public Works and Development Grants
- Business Development Loans
- Title III: Technical Assistance
- Title IX: Special Adjustment Assistance
- Trade Adjustment Assistance
- Economic Development Planning Program

COMMUNITY SERVICES ADMINISTRATION

- Community Action
- Community Economic Development
- State Agency Assistance

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- Community Development Block Grants (Small Cities)
- Community Development Block Grants/Entitlement (Large Cities)
- Neighborhood Self-Help Development Program
- Urban Development Action Grants
- Section 312: Rehabilitation Loans
- Section 701: Comprehensive Planning Assistance

U.S. DEPARTMENT OF THE INTERIOR

- Historic Preservation Assistance
- Urban Parks and Recreation Recovery
- Indian Credit Program
- Indian Housing Assistance

U.S. DEPARTMENT OF LABOR

Employment and Training Administration

Title II: Comprehensive Employment and Training Services
Title VII: Private Sector Initiative Program

SMALL BUSINESS ADMINISTRATION

Section 7(a): Regular Small Business Loans
Sections 501, 502, and 503: Development Company Loan Programs
Small Business Investment Companies
Pollution Control Financing Guarantees
Service Corps of Retired Executives and Active Corps of Executives
Physical Disaster Loans
Occupational Safety and Health Loans
Displaced Business Loans
Economic Injury Disaster Loans

U.S. DEPARTMENT OF TRANSPORTATION

Section 3: Capital Improvement Loans and Grants
Section 5: Capital and Operating Assistance Formula Grants

TRADE DEVELOPMENT PROGRAMS

Export-Import Bank of the United States
Overseas Private Investment Corporation
Domestic International Sales Corporations
U.S. Department of Agriculture, Commodity Credit Corporation Export Credit Guarantees
Technical Assistance and Marketing Information

Regional Action Planning Commissions

Community Investment Fund

Community Reinvestment Act

Goverment National Mortgage Association

Federal National Mortgage Association

National Consumer Cooperative Bank

Revenue Bond Financing

Investment Tax Credit for Rehabilitation

Targeted Jobs Tax Credit

Direct Foreign Investment in Distressed Areas

Location of Federal Facilities

U.S. DEPARTMENT OF COMMERCE
Office of Minority Business Enterprise
    Minority Business Development Assistance

U.S. DEPARTMENT OF DEFENSE
Office of Economic Adjustment

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Economic Development and Employment and Training Linkages

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N124 Baltimore County Private Industry Council, Towson, MD (PPE1)
N125 Private Industry Council of Sacramento, Inc., Sacramento, CA (PPE2)
N126 Peninsula Private Industry Council, Hampton, VA (PPE3)
N127 Berkeley Private Industry Council, Berkeley, CA (PPE4)
N150 Philadelphia Private Industry Council, Philadelphia, PA (PPE5)
N174 Balance-of-State Maine Private Industry Council, August, ME (PPE6)
N204 Ocean County Private Industry Council, Toms River, NJ (PPE8)
N237 Wisconsin Private Sector Initiative Program, Inc., Madison, WI (PPE7)

- PROGRAM INFORMATION BULLETINS

N023 Henry L. Hanson, Inc. Machinist Training Program, Portland, ME (PIB16)
N036 Center for Community Economics, Santa Rosa, CA (PIB24)
N039 MOOG, Inc. Metalworking Trades Training Program, East Aurora, NY (PIB27)
N114 Maopa Paiutes Tomato Growing Project, Moapa, NV (PIB56)
N148 Be Your Own Boss, Ft. Lauderdale, FL (PIB66)

- PROGRAMS IN PROGRESS

N053 Targeted Jobs Demonstration Program, Buffalo, NY (PIP3)
N052 Small and Minority Business Assistance--Targeted Jobs Demonstration Program, Buffalo, NY (PIB2)

- SHOWCASE Articles

N019 "Combining Government Programs for Maximum Results," October 1979, p.4
N110 "Individualized Treatment Wins Business Support for NYC PIC," June 1980, p.4
N055 "Money and Jobs in Buffalo's Economic Development Strategy," February, 1980 pps. 1-2
N047 "Training Program Attracts New Plant," January, 1980, p.2
N074 "When Industry Moves Away," March 1980, p.3

N155 "Florida PIC Shows Hard-to-Employ How to Run Their Own Business," September, 1980, pps. 1-2

N195 "Lacemaking - A dying Art Gets New Life," January, 1981, pps. 1-2

N177 "Maine's Presque Isle Finds Company Will Move to Workers," November, 1980, pps. 1-2

- ECONOMIC DEVELOPMENT RESOURCES FOR CETA PLANNERS: A SELECTIVE, ANNOTATED BIBLIOGRAPHY, 1980

The following items have not been prepared by NAB, but are made available as a service of the Clearinghouse:

- A Survey of Sixty Economic Development Projects with Employment and Training Components

- A summary Report on the Chicago Federal Regional Council's Experiment with the Negotiated Investment Strategy in St. Paul, Minnesota

- Research on Manpower/Economic Development Linkages, by Jonathan Katz, May 7, 1980

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- Case Studies: Linking Employment and Training Programs with Economic and Community Development, August, 1979

- Community Economic Development Demonstration Program - Issue Papers, Council for Urban Economic Development, March 1978

- Employment Initiative Papers, prepared by the U.S. Conference of Mayors Employment Policy Development Program:

  Columbus, OH
  San Antonio, TX
  Milwaukee, WI

Other publications in this Private Industry Council Guide Series:

1. Planning, Management and Evaluation:
   Realizing PIC Potential